

الطريق الى السلام

THE UNIVERSITY OF JORDAN

INTERNATIONAL

# Herald Tribune

Published with The New York Times and The Washington Post

PARIS, MONDAY, MARCH 13, 1978

Established 1887

Austria	12.5	Italy	25.0
Belgium	20.0	Latvia	21.0
Denmark	3.00	Luxembourg	20.0
France	4.00	Morocco	27.0
Germany	2.00	Netherlands	1.50
Greece	2.50	Norway	3.00
Ireland	1.00	Poland	60.0
Israel	1.00	Portugal	2.00
Japan	1.00	Romania	2.00
South Korea	1.00	Spain	2.00
Sweden	2.00	Switzerland	1.00
Switzerland	1.00	Turkey	67.0
Taiwan	1.00	U.S. Military	30.35
Turkey	67.0	Yugoslavia	17.0

## Reprisal Hinted

# Die, 85 Hurt In Palestinian Strike in Israel

TEL AVIV, March 12 (UPI).—Prime Minister Menachem Begin yesterday condemned a terrorist attack in which 85 persons were killed, as a "barbaric act" that proved the "total failure" of a future Palestinian state.

The 37 terrorists landed at 4:15 a.m. in two rubber dinghies 25 miles north of Tel Aviv, commandeered two buses and clashed with Israeli troops at a roadblock north of Tel Aviv. Besides the 85 persons who were wounded, 48 of whom were still hospitalized today, six in serious condition.

None of the terrorists were killed and two were captured. At least 37 others had escaped, and Israeli authorities put a curfew on a square miles of territory while seeking a vast manhunt. It was called off today, however, when it was determined that the strike was among the dead in the shattered wreckage of one of the buses.

Mr. Begin and Defense Minister Barak Weizman blasted today the possibility of a reprisal against guerrillas based in Lebanon, from where the Prime Minister said the squad embarked on a mission designed to be hostages in exchange for Israeli prisoners held in Israeli jails.

Among the dead was an American woman free-lance photographer from New York City, whose name was not revealed until the notification of next kin. One policeman was among the dead and nine others were wounded.

"This is the atrocity perpetrated upon our people yesterday," Mr. Begin said after giving

details of the massacre. It began with the shooting of the American woman on the beach at Ma'agan Michael where the terrorists landed. "We shall not forget."

"There was no need of this outrage to understand that a Palestinian state would be a mortal danger to our nation and our people," he said.

Egypt is demanding self-determination for the Palestinians as part of a peace agreement. Israel opposes it on the ground that it would lead to a Palestinian state in the occupied West Bank of Jordan and the Gaza Strip.

Mr. Begin, in response to a question at his 50-minute news conference about whether Israel would retaliate for the terrorist strike, said: "Those who kill Jews in our time cannot enjoy immunity. We shall eliminate this constant threat. Our fight will be victorious."

Mr. Weizman was asked a similar question on his arrival at Ben-Gurion Airport from the United States and replied, "I'm holding responsible any country from which such raids are launched."

The massacre, he said, "will certainly have an effect on the general atmosphere" of the peace talks. "It rekindled again the dangers of having an uncontrolled area in the close vicinity of populated Israel."

Mr. Begin was to have joined Mr. Weizman in the United States today but postponed his trip and "important talks" with President Carter until next week. No new date has been set.

The terrorists, according to Mr. Begin, were "armed with automatic weapons."

(Continued on Page 2, Col. 5)



One of the terrorists who attacked the bus in Israel is lifted after he was wounded and captured by troops.

## Announcement Today

# Bonn, Washington Act to Aid Dollar

By Hobart Rowen

WASHINGTON, March 12 (UPI).—A two-part plan to help stabilize the U.S. dollar in the world's foreign exchange markets will be jointly announced by the United States and West German governments tomorrow. The Washington Post learned today.

Under the arrangement, the United States will acquire substantial amounts of Deutsche marks with which it can intervene to prop up the dollar when markets become "disorderly."

U.S. officials stressed that there would be no change in the character of the intervention policy itself. The purchase of dollars with the augmented supply of marks will be made only to counteract disorderly market conditions, not to prevent the dollar from going down, nor to try to stabilize the dollar at a particular rate.

Marksmen Effort

The second part of the joint U.S.-German announcement will be a restatement of a maximum effort by both governments to resolve the "fundamental" problems underlying the sharp decline of the dollar in the last year against the German and other currencies.

These basic problems include a

## Expect the Worst

# Palestinians on Alert For an Israeli Reprisal

BEIRUT, March 12.—Palestinians were on the alert today for a possible Israeli reprisal against guerrillas based in Lebanon, following the terrorist attack in Israel which killed 85 persons.

"We're expecting the worst," a leader of the Palestine Liberation Organization said. He said that a view of Israeli retaliation for the commando actions, Palestinians are preparing for a major assault.

The attack, which was claimed by the main commando organization, al-Fatah, was intended to show that there can be no Middle East peace settlement without the Palestinians, according to sources close to the movement's leadership.

Lebanese Disavowal

Lebanese Premier Selim al-Hoss said that Lebanon had nothing to do with the Palestinian attack and that the Palestinians were responsible for the attack. "We are not responsible and we are not going to do anything to help them," he said. "Any attempt to link Lebanon to this attack is pure fabrication."

In Washington, President Carter described the attack as "cowardly and senseless" in a personal message of condolence to Israeli Prime Minister Menachem Begin. Mr. Carter's message, delivered by Mr. Begin by U.S. Ambassador Samuel Lewis, said:

"It was with a sense of deep

## When Somali Troops Quit Ogaden

# Russia Said to Signal Cuban Cut in Ethiopia

By Graham Hovey

WASHINGTON, March 12 (UPI).—The Soviet Union has informed the United States that Cuban military forces in Ethiopia will be substantially reduced once Somali troops are withdrawn from the Ogaden area and fighting stops, according to the State Department today.

The department said Friday that the Soviet Union had agreed with the United States that "neutral" international observers should be sent to the region to insure that reprisals are not taken by Ethiopian forces against the Somalis in the area.

A high-ranking State Department official was cautiously optimistic on prospects for a U.S. initiative aimed at bringing about

## Based on Computer Projection

# Left Takes Early Lead In Elections in France

PARIS, March 12 (UPI).—The Socialist Communist alliance took a lead over France's ruling center-right parties today on the basis of partial results in the parliamentary election.

Latest computer projections gave the left about 50.5 per cent of the popular vote, compared with 46 per cent for the center-right governing parties.

A huge 83.3 per cent of the 35.4 million registered voters went to the polls in the first round for the election of a new 481-seat Parliament.

Among first-ballot winners were Paris Mayor Jacques Chirac, National Assembly Speaker Edgar Faure and former Prime Minister Pierre Messmer, Michel Debré and Jacques Chaban-Delmas. All are members of the Gaullist party.

Also re-elected was Agriculture Minister Pierre Métégeat, a member of the incumbent coalition's Social Democratic party.

Run off for Mitterrand

Socialist leader François Mitterrand failed to gain a majority in his home district of the Rhône department of central France. He is favored to win reelection in next week's runoff.

Prime Minister Raymond Barre was elected with a comfortable majority in the Rhône valley city of Lyons. He will be entering the National Assembly for the first time.

Robert Fabre, the leader of the Radical Left party, allied to Mr. Mitterrand's Socialists, was forced into a runoff in his home district in southwest France.

Also elected were Justice Minister Alain Peyrefitte, Interior Minister Christian Bonnet and Education Minister René Haby.

But Universities Minister Alice Saunier-Seïte was forced into a runoff. Others failing to get elected on the first round included Gaullist secretary-general Yves Guéhenne and Jean-Pierre Soisson, president of the Republican party founded by President Valéry Giscard d'Estaing.

If the left keeps up its drive in the runoff next Sunday, it could bring a government to power with Communists in it for the first time in France in more than a generation.

Socialist party officials asserted that the early results confirmed indications during recent weeks of a strong surge to the left.

The moderate right-of-center parties that have ruled France for 30 years are pitted against a Socialist-Communist alliance that has promised big pay and Social Security increases and a state



Socialist leader François Mitterrand at Chateau-Chinon.

## Whatever French Decide

# System of De Gaulle Seen Nearing Its End

By Flora Lewis

PARIS, March 12 (UPI).—Whatever the outcome of French elections that will culminate next Sunday, it has become clear that the system of the Fifth Republic, the political system established by Charles de Gaulle as the underpinning of the Fifth Republic.

It seems almost as clear that the elections will fall to mark the end of the political structure which is gradually, almost surreptitiously, evolving in France. It is widely, although not unanimously, supposed by politicians and their observers that the next government will not last anything like the official parliamentary term of five years, and that there may well be another round of elections later this year or early next year to fix the course of the future.

The prospect of instability is in itself perhaps the biggest break with the Fifth Republic's habits of a generation. By a combination of measures both constitutional and political, De Gaulle established a situation in which the dominant political group was virtually assured continued power because the only alternative that seemed available was to put the Communists in full power. So long as the system of representative democracy and regular elections was maintained, that kind of guaranteed rule obviously could not go on indefinitely. It seems surprising that, indeed, the Gaullist system has outlasted its founder as long as it has, but now it is more evident that it has been eroding for a long time.

"Who among us can resign himself to this?" the President asked.

Under the French system, voting is taking place on two successive Sundays. Citizens 18 and older are entitled to vote. They include more than 5 million who never had voted before.

In the first round they were confronted by a record 4,286 candidates representing not only the major parties but also scores of splinter groups.

The first round serves in effect as a nationwide primary election, weeding out all but the front-runners.

To win election outright, a candidate had to get at least half of the votes plus one in his own voting district.

So the main interest in the first round was the indication it would provide of the relative strengths in popular votes of the big parties.

The second round of balloting will involve only the front-runners from the first round. It is the second round that will decide, in effect, the party line-ups in parliament.

4 Main Groups

In his TV address, Mr. Giscard d'Estaing pointed out that there are four main political groups, and none is likely to have the strength to form a government without allies.

On the right, there are the Gaullists headed by Mr. Chirac, 45. They call for a continuation of the nationalistic policies of De Gaulle.

In the middle are the Center Democrats and Republicans, headed by Mr. Barre, 52, a former economics professor, who stands for sound money, tight controls on inflation and gradual social progress.

On the left are three parties that have a much-riven alliance. The largest of these is the newly resurgent Socialists, headed by Mr. Mitterrand, 61, who lost by only a hairbreadth to Mr. Giscard d'Estaing in the 1974 presidential race.

The second largest is the Communist party, headed by Georges Marchais, 57, which has attracted around 5 million votes in every French election since World War II.

A small, third-ranking element in the left alliance is constituted by the Radical Left, headed by Mr. Fabre, 62.

## French Captive Freed By Philippine Rebels

ZAMBOANGA CITY, the Philippines, March 12 (UPI).—A French Culture Ministry official, kidnapped by Moslem rebels two weeks ago, was freed unharmed today without any ransom being paid, military authorities reported.

Pierre Huguet, 59, was released on a small island 30 miles south of this port city. He was kidnapped here on Feb. 26 by three men while he was taking photographs of a Moslem district.

## Andreotti Names Cabinet

# Communist-Backed Regime Takes Office in Italy Today

ROME, March 12 (UPI).—Premier-designate Giulio Andreotti and his Christian Democratic Cabinet will be sworn in tomorrow as Italy's first government in 31 years with official Communist party support.

Mr. Andreotti, 59, formed his government yesterday after 54 days of tough negotiations with the Communists, who at first demanded seats in the Cabinet then later settled for an official place in the parliamentary majority.

The new Cabinet is composed entirely of Christian Democrats—10 of them staying in their previous jobs, eight getting new ministries and two getting posts for the first time.

Formation of the Cabinet ended Italy's third longest government crisis. The two that were longer required early elections to resolve.

Vote of Confidence

Mr. Andreotti plans to present the new government to Parliament Thursday for a vote of confidence that politicians said should be completed before the end of the month.

The regime will depend for survival on promised support from the Communist party—the first time the Marxists have been part of a government's parliamentary majority since the late Premier Alcide de Gasperi ousted them from his cabinet in 1947 and trounced them at the polls the following year.

The Communists, helped by government inefficiency and scandals, have since gained in every election and polled 34.5 per cent of the vote in 1976 to 38 per cent for the Christian Democrats.

This made the Communists a vital element of any government combination.

They kept the previous Andreotti government in power for 17 months, then toppled it Jan. 18 and demanded cabinet posts for themselves in an emergency coalition to fight street violence, inflation and unemployment.

Lengthy Bargaining

The Christian Democrats turned down that demand but agreed after lengthy bargaining to accept the Communists as part of the government's parliamentary majority.

The U.S. State Department said in a controversial statement Jan. 12 it did "not favor" increased power for the Italian Communists and questioned the sincerity of their avowed support for Western-style freedoms.

Votes are expected in both houses before the end of the month, with Mr. Andreotti assured of the widest majority ever. (Continued on Page 2, Col. 1)

# Shoppers Get Last Shot at Kenya Animal Hides

NAIROBI, March 12 (UPI).—Hundreds of bargain-hunting tourists and Kenyans thronged shops today, the last day in which animal hides and trophies could legally be sold under a government edict designed to protect the nation's dwindling wildlife.

Shoppers carted away elephant tusks for \$200, stacks of impala and gazelle skins at \$12 each, lion heads mounted on wooden plaques and thousands of bangles and ivory bracelets.

Storeowners, who were given three months to clear their stocks when the ban was announced by President Jomo Kenyatta on Dec. 2, offered discounts up to 70 per cent and said they were prepared to bargain further.

"We were just over here and we happened to look into it," said Dr. Trens Lane, of Evanston,

With the exception of two or three stores here, most shops were sold out by this afternoon.

"I'm open to confiscation," said Harinder Singh, manager of the International Game and Trophy Store here, but he was not sad; his store was already stocking hi-fi sets.

The government ban on the sale of curio made from wild animals had been sought by conservationists as a companion measure to a hunting ban imposed in May of last year.

"If they are really serious with this ban and continue anti-poaching efforts and stamp out this trade, there should be no reason why the game can't recover," said Ellis Monks, the honorary secretary of the World Wildlife Fund in Kenya. "They recover very quickly," he added.

Key Measures

Among the key constitutional measures that permitted the shift from the Fourth Republic's volatile politics and revolving-door governments were a change from proportional representation—which helped polarize the electorate—and the direct election of the president by universal suffrage—which gave him a national mandate independent of parliament. But it is not a real presidential system in the U.S. sense because the relative powers of the executive and parliament are undefined, there is no clear presidential veto and while the de facto prime minister and his government.

This built-in impasse never caused trouble before because the

## Tourists Find Surprise Bargains On the Final Day of Legal Sales

III. She and her husband, Dr. Eli Lane, bought a one-foot-high pair of elephant tusks from which was suspended a silver gong. "We are going to make it the centerpiece on our dining-room table," Dr. Lane said. "We were very lucky."

The ban affected about 200 shops here and an equal number throughout the country, ending a multimillion-dollar industry. It had long been sought by conservationists.

"Almost everything has been sold. We've suffered a very heavy loss," said the manager of the African Curio Shop. "We sold mostly carvings and we hope to



## He Calls for Carter Aid

## Israeli Stance on West Bank Perils Peace Bid, Sadat Says

CAIRO, March 12 (UPI).—President Anwar Sadat said yesterday that Israel's refusal to evacuate the Jordan West Bank threatened his peace initiative, and he urged President Carter to "shoulder his responsibilities" as a full partner in the peace effort.

The Egyptian leader told newsmen that Israeli Prime Minister Menachem Begin's position on the West Bank "does not only threaten the foundations of the peace talks but threatens the peace initiative itself."

Mr. Begin argues that UN Security Council Resolution 242 does not commit Israel to withdrawal from the West Bank and the Gaza Strip. The United States has rejected this argument and contends that the principle of withdrawal included in the

resolution is applicable to all fronts—Egypt's Sinai peninsula, Syria's Golan Heights and the Jordan West Bank.

## May Be Dead End

Asked if he feared his peace initiative would be aborted, Mr. Sadat said: "I fear nothing but God. But it is quite obvious that when Begin adopts this policy, it will lead us nowhere."

He was speaking during a tour of El-Fayoum Province, about 60 miles southwest of Cairo. "America is a full partner. Let us hope President Carter will shoulder his responsibilities as a partner in this problem, in its entirety," Mr. Sadat said.

In a separate interview, Mr. Sadat said that Egypt is prepared to normalize relations with the Soviet Union and restore severed diplomatic ties with five hard-line Arab states on one condition—observance by all of "mutual respect."

Mr. Sadat vowed, in an interview with the weekly magazine October, that there is no going back on his initiative for peace with Israel, the move that deepened Egypt's long-standing rift with Moscow and brought a diplomatic rupture with Syria, Libya, Algeria, Iraq and South Yemen.

## Mutual Respect

"If the Soviet Union wants to resume (normal) relations with us on the basis of mutual respect, I have no objection at all. Even with regard to the rejectionist states, we have no objection," he said.

In his press conference yesterday in El-Fayoum, Mr. Sadat said: "I want to see President Carter as a full partner, as I said in the United States and as American public opinion agreed with me. There was referring to his talks with Mr. Carter last month in Washington."

Asked what a "full partner" meant, Mr. Sadat replied: "It means a lot."

On the shuttle mission of U.S. envoy Alfred Atherton, he said: "I cannot say that shuttle diplomacy has failed. It is true that it has not produced anything concrete, but it still occasionally brings a point here and a point there toward a narrowing of differences. I cannot say, therefore, that it failed."

## Egypt, Jordan 'Acceptance'

WASHINGTON, March 12 (AP).—Egypt and Jordan have informed U.S. mediators that they will not insist on an immediate Israeli withdrawal from the West Bank of the Jordan River, a U.S. official said yesterday.

This "increasing acceptance" of an interim arrangement for the contested territory was conveyed to Mr. Atherton during his recent trip to the region, the official said.

Since Israel has offered to hold the issue of sovereignty over the West Bank in abeyance for five years, the Arab position would help resolve the dispute over the future of the territory and its Palestinian residents.

However, identification in briefing reporters, said that Egypt and Jordan have not suggested the kind of interim arrangement they preferred.

## Lisbon Reinstates Leftist Admiral

LISBON, March 12 (Reuters).—Vice-Adm. Antonio Rosa Coutinho, a member of the leftist junta which ruled Portugal after the 1974 coup, will return to active duty next week, it was announced yesterday.

Adm. Rosa Coutinho fell from power after an abortive leftist coup in November, 1975. He was forcibly retired in August after appearing before a naval disciplinary council on charges of violating human rights.

But the military Council of the Revolution, Portugal's constitutional watchdog, said that he had been cleared of the charges and ordered back on duty by Adm. Augusto Souto Cruz, chief of the naval staff.



The bulk of the tourist bus smolders near Tel Aviv after it was attacked by terrorists.

## Arab Terrorists Slay 37 in Israel Raid

(Continued from Page 1) Begin and the police, attacked a private car, a taxi, two buses and fired on other private cars from one of the commandeered buses in a 30-mile spree of violence along the coastal highway toward Tel Aviv. They never got to the city. The raiders were stopped at a

police roadblock near the White Stone Country Club, about six miles north of the city in view of rows of apartment blocks and across the road from a used car lot.

The raid began at 4:15 p.m. when the terrorists entered Israel's network of radar and gun-

boat coastal defenses and landed at the kibbutz of Ma'agan Michael. They came upon the American photographer on the beach, a nature preserve where he often went alone to photograph birds.

They shot her to death.

The death squad trudged across the sand to the coastal highway, avoiding the kibbutz. They stopped a car on the four-lane asphalt road, killing its woman driver.

The terrorists then halted a taxi and killed all of its passengers. They then stopped a tour bus, carrying picnicers returning from a day's outing to the stalagmite caves near Jerusalem, by firing into the air.

Vehicle Boarded

The terrorists boarded the vehicle. Three stood in front near the driver, who was shot and wounded. Three others stood at the rear exit. The remaining five were scattered through the aisle. They ordered it to Tel Aviv.

Survivors said two women hijackers were the cruelest, refusing to allow the wounded to leave. But others traded cigarettes with the hostages and seemed drunk with success. The survivors said the terrorists shouted "Arafat" and "Palestine," condemning Mr. Begin and Egyptian President Anwar Sadat.

The terrorists fired on a police jeep at the Givat Olga junction, passing it and killing the policeman.

The tour bus soon overtook an older interurban bus. The terrorists ordered the driver to speed up and overtake the second bus. As he did, the guerrillas raked the side of the second bus with machine-gun fire, wounding passengers.

They forced the interurban bus to stop and boarded it, herding all of the passengers from that vehicle into the tour bus.

The police set up their main roadblocks at the country club. As the bus approached the police shot on its three terrorists and passengers who were not tied to their seats—fired from the stricken bus.

The terrorists took up positions along the heavily traveled road and in some dense underbrush. They fired mortar shells and threw a grenade at the bus, causing it to explode and burn.

Twenty-five charred bodies or parts of bodies, some unidentifiable, were found in the bus hours later.

"They came here in order to kill the Jews," Mr. Begin said. The terrorists carried a portable rocket launcher, a light mortar, grenades, machine-guns and sub-machine-guns, he said.

The government-run radio quoted a police report to Mr. Begin, said the goal of the terrorists was to seize a luxury hotel along Tel Aviv's seafloor, similar to an incident three years ago in which a hotel was taken over. Eleven persons died in that raid.

## Spain Actors' Case Sparks Two Protests

MADRID, March 12 (UPI).—Scattering garbage through downtown streets, youths clashed with riot police today during an attempt in Barcelona to protest the imprisonment of four actors, while in Madrid 7,000 dancing, singing youths turned out in the Vista Alegre ballroom for a song festival held in support of the actors.

The incidents were the weekend highlights of a wave of protests sparked by the sentencing a week ago of four actors from the Els Joglars troupe convicted of insulting the Spanish Army in a mimed play.

## Gives Conditions on U.K., U.S. Plan

## Smith Open on Call for New Talks

SALISBURY, Rhodesia, March 12 (UPI).—Prime Minister Ian Smith today left open the possibility that he might accept the British-U.S. call for a new majority-rule conference attended by the militant guerrilla-backed Patriotic Front.

But voicing a demand that the United States, Britain and the Patriotic Front would be likely to resist strongly, Mr. Smith said that such a conference would have to avoid taking up issues on which he and three moderate black leaders have already reached accord.

He also said, in a televised address, that any decision on attending a new conference would be taken jointly by himself and the three moderate—Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole and tribal chief Jeremiah Chirau.

The four men last week signed a majority-rule agreement that the Patriotic Front has called a sellout and that the United States and Britain have called inadequate to end the five-year-old guerrilla war.

## Still Beholden

Mr. Smith charged that Washington and London have withheld support for the accord, which provides for a predominantly black interim government to rule until a full transfer of power on Dec. 31, because "they are still beholden to the Patriotic Front."

Britain and the United States have called for a new conference to involve the front in majority-rule efforts and because they believe that the Salisbury agreement does not make adequate security provisions during a transitional period.

"I must make it very clear that any decision to attend such discussions would be taken jointly by the four leaders who signed what I might call the Salisbury agreement," Mr. Smith said.

"I believe the four of us would have to be satisfied that the purpose would not be to reopen discussion on matters on which we have already reached agreement. That would be a fruitless waste of valuable time which would prefer to devote to implementing our agreement."

The Patriotic Front has said that the Salisbury accord, which provides constitutional safeguards for whites in the first decade of black rule, would leave power in white hands.

## Front Leaders in U.S.

WASHINGTON, March 12 (UPI).—Secretary of State Cyrus Vance tried yesterday to persuade Rhodesian guerrilla leaders to get together with rival black factions on a compromise plan for bringing about black majority rule in Rhodesia.

Hours after a two-hour meeting at the State Department, the two heads of the Patriotic Front—Joshua Nkomo and Robert Mugabe—remained firm in their rejection of the internal settlement signed March 3 by the three moderate black leaders and Mr. Smith.

Mr. Mugabe and Mr. Nkomo said again yesterday that they consider the British-U.S. plan as "the only basis for negotiation."

Although they did not rule out the possibility of talks with the nationalist leaders who joined with Mr. Smith, they insisted that it would have to be on the basis of the British-U.S. plan rather than the internal settlement.

Richard Moose Jr., assistant secretary of state for African

affairs, said: "It was a discussion that had to take place. We needed to explain to them what we want to do and hear their reaction."

"They are concerned that we're trying to press them to join the internal settlement," Mr. Moose added. "We explained that we're simply trying to get all the parties together to find a formula involving all of them."

Mr. Moose refused, however, to speculate on whether the meeting had eased the concerns of the Patriotic Front leaders. He said, "We've each explained our positions. Now the two sides

are going to have to think over."

## Guerrilla Attack

SALISBURY, Rhodesia, March 12 (UPI).—Black insurgents pledged to fight the internal majority-rule agreement, have attacked the country's biggest coal mining complex with rocket mortars and assault teams, a military command said yesterday.

A communiqué said that 12 black civilians were killed and six wounded in the attack Friday evening on the complex as the northwestern town of Wankie, 5 miles from the Zambian border

## 3 Said Wounded at Funeral For South Africa's Sobukwe

By John F. Burns

GRAAFF-REINET, South Africa, March 12 (UPI).—Three youths were reported wounded by gunfire yesterday when troops erupted among blacks at the funeral of Robert Sobukwe, one of South Africa's leading black nationalist spokesmen, who died of cancer two weeks ago.

Mr. Sobukwe, who was 53, was revered by millions of blacks for his campaign against apartheid and minority rule.

Several shots were fired as an angry crowd of youths forced Chief Gatsha Buthelesi, the Zulu leader, to leave the dusty sports field where the funeral was held. The youths spat on the 49-year-old tribal leader and threw rocks at him, calling him a "sellout."

The shots were reportedly fired by an aide to Mr. Buthelesi in an attempt to hold back the crowd, which appeared to be composed mainly of young supporters of the militant Black Consciousness movement.

The melee, which delayed the funeral for 30 minutes, subsided after Chief Buthelesi left. After nearly four hours of bitter political speeches interspersed with hymns and prayers, the body of Mr. Sobukwe, who was the founder and president of the outlawed Pan-Africanist Congress, was buried near members of his family in a cemetery for nonwhites outside the town.

## Homeland Opponent

Mr. Sobukwe, who was jailed and restricted under a government banning order for the last 17 years of his life, was a bitter opponent of the likes of Chief Buthelesi, who accepted leadership positions in government-created political institutions for blacks. Although the Zulu leader also strongly opposes apartheid, he serves as Chief Minister of KwaZulu, the rural "homeland" reserved for Zulus.

Mr. Buthelesi, who has been attempting to build a following among other black groups, said afterward that he had been invited to attend the funeral by the Pan-Africanist Congress through its office in London. The Zulu leader noted that he had attended college with the nationalist leader, and called him a friend.

After the fighting was brought under control, Brig. A. A. Coetzer, divisional commissioner of police for the southwestern Cape Province, said that three youths, two aged 18 and one 12, had been admitted to the local hospital with bullet wounds. However, none of the youths had a flesh wound scene saw anyone struck by bullets.

The police official said that one of the youths had a flesh wound in the chest, one had been hit in the hand and the third in the leg. He said that the police had not determined who had fired the shots, but that none of his own men, a group that attended in plain clothes as well as in uniform, had fired any shots. "The whole matter is under investigation," he said.

An atmosphere of tension pervaded the funeral procession even before Mr. Sobukwe's coffin reached the sports ground from the shabby black township nearby where he was born. About 20 youths led the cortege down the town's main street, taunting white police officers and bystanders with cries of "white pigs" and "death to Vorster," a reference to Prime Minister John Vorster.

## Austrian in Kuwait

KUWAIT, March 12 (AP).—Austrian Foreign Minister Willibald Fahr arrived yesterday on a two-day visit.

## De Gaulle's Political System Draws to End

(Continued from Page 1)

alliances and coalitions are once again the crucial physiology. The Socialists are the largest group, with over a quarter of the vote; the Communists, Giscardists and Jacques Chirac's neo-Gaullists are roughly even with about one-fifth of the vote each.

There remains an overall divide between right and left, which Mr. Giscard d'Estaing would like to break down the rest of the way to establish the broad central plateau of most Western politics. An impasse agrees, although they dispute with the President whether he or they should dominate the left-center terrain. But there are also sharp divisions on both sides of the barricade, with Communists and Socialists in head-on conflict, and as sharp if less ideological a battle between the President's backers and former Prime Minister Chirac's neo-Gaullists.

That is a major reason for the outlook of instability, intrigue and a shifting foothold for whatever government is patched together after the elections. It is seriously aggravated by the socio-economic atmosphere. If the left

wins, its drastic economic program is likely to produce a panic among businessmen. Communist control of the most important labor union can mean strikes, demonstrations and deliberate disorder as additional pressure for concessions from their ostensible Socialist allies. If the government coalition squeaks through, the bitterness of the losers may come to be expressed in the streets.

Mr. Mendès France, looked upon now as the sage of another era, flatly predicted "chaos" in such circumstances.

Some kind of constitutional reform can be expected in the fairly near future to try to accommodate these tensions. It will almost surely deal with the electoral system and the relation between the prime minister and the president. The left is committed to restoring proportional representation. Aides say Mr. Giscard d'Estaing would like to do that himself. But since Mr. Chirac's group opposes such a change, it might be impossible to get the reform through the legislature if the government side retained control. Another route would be by referendum, but that would mean renewed

collating said a reopening of basic confrontations.

One of the many paradoxes on this murky horizon is that while the expanded powers of the presidency are a crucial point of the dilemma, the principal challenge to Mr. Giscard d'Estaing—Mr. Chirac and the Socialist leader, François Mitterrand—want above all to replace him and they do not about to squeeze much of the juicy power from the office they hope to hold. Mr. Giscard d'Estaing's term runs until 1981, and he has made it clear that he intends to stay, even if he will be under attack from all sides.

Tradition has it that the French vote their preference in the first round of elections, supporting the candidate or party they like best, and their fears in the second round, rejecting the one they dislike most. It is not even that simple this time because a large number of voters are finding that what they most like and dislike are packaged together—Communists and Socialists against the President's vaguely reformist group and neo-Gaullists.

All indications are that the next government, whatever it is, will have a rocky passage.

Reservation: 225.99.06+

**IRAN AIR**

Only Sud

**PARIS**

**NEW-YORK.**

BOEING 747 SP: Monday-Friday 0.30 p.m.

## The harder your day, the harder we try.

We rent cars in more countries and serve more airports around the world than anyone else.

And we understand the problems of travelling—the waiting around at airports, the crowds, the delays.

That's why, when you rent a car from Avis, you get more than just a car and competitive prices. You get friendly, helpful people.

**AVIS**



مركز اعمدات



## Miners, Operators Share Same Interest

# Fear of an 'Impasse' Spurs Coal Talks in U.S.

WASHINGTON, March 12 (AP)—Last ditch bargaining to avert the coal miners' strike, now 97 days old, continued here yesterday in an atmosphere of confidence, if not optimism.

There was a feeling on both sides that if they failed to reach a settlement this weekend, three weeks of industrywide bargaining could be delayed.

Workers and the major coal companies were described by both sides last night as "making some progress." A union leader said the industry's new bargaining chairman, Nicholas Camica, a former miner and former union member, who is chairman of the Pittston Co., was "more realistic."

Mr. Camica was the industry spokesman who said there had been "some progress" yesterday. "There's feeling that maybe we are starting to move a little bit," said Kenneth Dawes, a member of the UMW negotiating team who is president of the 20,000-member union district in Illinois.

## To Win Support for Treaties

# Senate Leaders Back Panama Compromise

By John H. Averill  
WASHINGTON, March 12.—In bid to win critically needed support for the Panama Canal treaty, Senate leaders have agreed to support a compromise proposal that could lead to a permanent U.S. military presence in Panama.

The unexpected decision Friday by Senate leaders of both parties as aimed at enlisting the support of a bloc of senators whose fiscal to say how they would vote has thrown the fate of the treaties into doubt.

The Carter administration, which has resisted treaty changes, withheld a decision on the proposal but agreed to consider it—a concession that reflects the deepening concern over the treaties' prospects of ratification.

## Cocaine Rivaling Colombia Coffee in Sales in U.S.

BOGOTA, March 12 (AP)—Cocaine smuggling from Colombia, mainly to the United States, has grown so big as to rival coffee as the country's largest export, law enforcement officials say.

Colombia supplies 70 per cent of the illegal cocaine consumed in the United States, with most of the rest coming from South America.

Some economists believe that Colombia's record 29-per-cent inflation last year was due "as much to the influx of drug money as to skyrocketing coffee prices."

Some economists believe that Colombia's record 29-per-cent inflation last year was due "as much to the influx of drug money as to skyrocketing coffee prices."

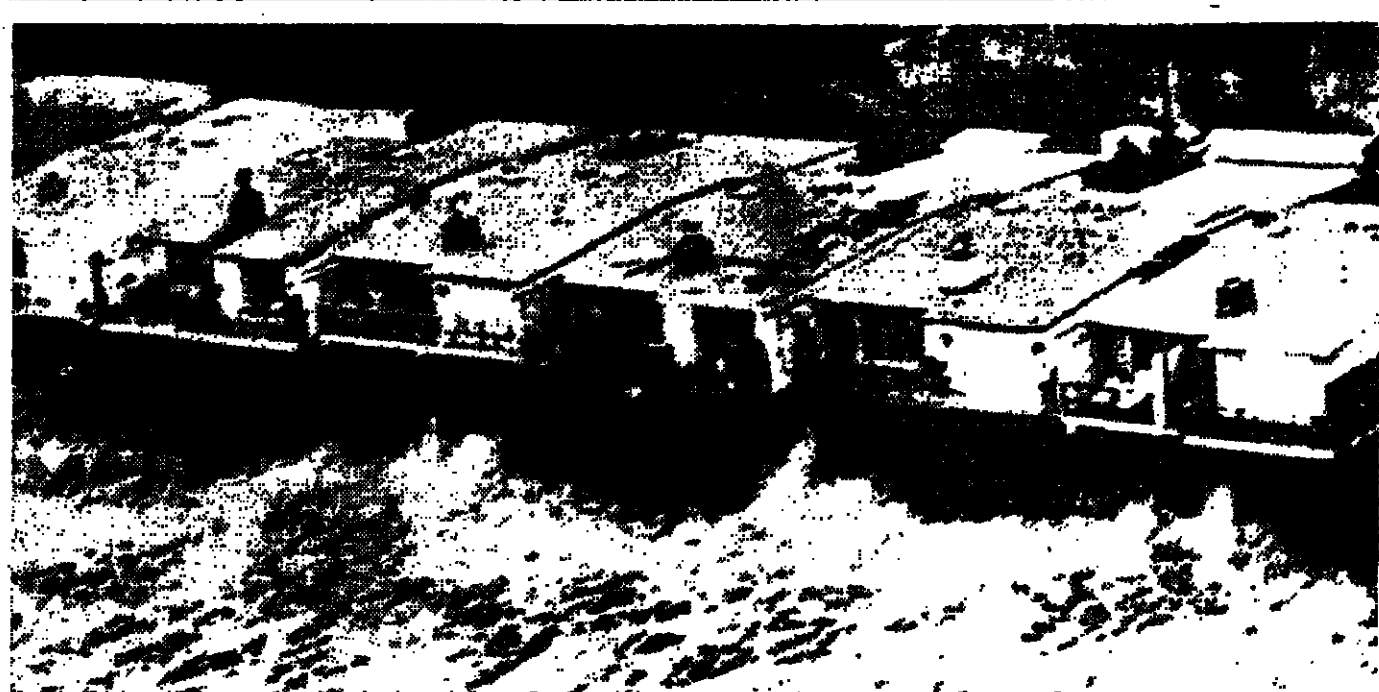
Colombia supplies 70 per cent of the illegal cocaine consumed in the United States, with most of the rest coming from South America.

Some economists believe that Colombia's record 29-per-cent inflation last year was due "as much to the influx of drug money as to skyrocketing coffee prices."

Colombia supplies 70 per cent of the illegal cocaine consumed in the United States, with most of the rest coming from South America.

Some economists believe that Colombia's record 29-per-cent inflation last year was due "as much to the influx of drug money as to skyrocketing coffee prices."

Colombia supplies 70 per cent of the illegal cocaine consumed in the United States, with most of the rest coming from South America.



Along southern California's Malibu Beach, high tides these days bring major problems to beach dwellers. On the road behind the houses, moving vans are loading furniture and personal possessions of residents.

## Rocks Replace Stars as Attraction of California Gold Coast

MALIBU, Calif., March 12 (NYT)—Juggling huge boulders as if they were basketballs, big yellow chip-loaders sorted along the sands of California's Gold Coast, trying to bulwark homes of the rich and famous against further devastating assaults by storm-driven Pacific surfs.

Along the strand, the abodes of such notables as Burgess Meredith, Linda Ronstadt and Larry Hagman. While other parts of southern California were only deluged with rain in the last fortnight, this exclusive residential sector suffered a double blow.

## Says Congress Must Amend Law

# GAO Challenges Carter Plan to Phase Out Breeder Reactor

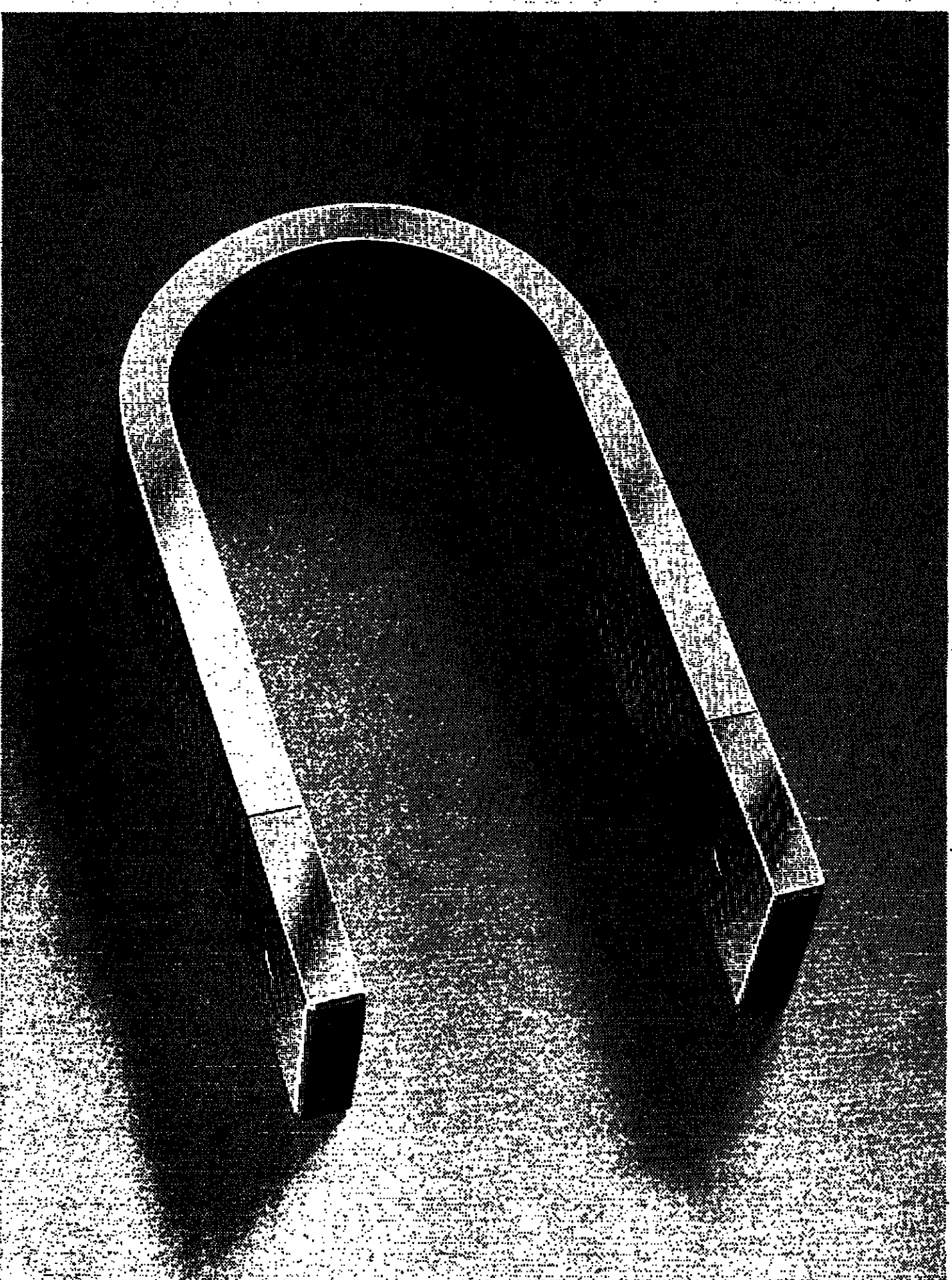
By Peter Masley  
WASHINGTON, March 12 (WP)—Controller General Elmer Staats has told the Carter administration that it cannot legally phase out the controversial Clinch River breeder reactor and that any government official who approves spending to terminate the project will be held personally liable for the debt.

House he said that he would develop a policy to control the spread of plutonium, which is used to manufacture nuclear weapons. Pro-nuclear groups want to move atomic power plants away from using uranium and into plutonium and Clinch River is supposed to demonstrate the feasibility of doing this.

## Flu Deaths in U.S. Reported on Decline

ATLANTA, March 12 (AP)—Influenza deaths in the United States have declined during the last two weeks, with most attributed to the A-Texas and A-Victoria flu strains, the National Center for Disease Control said.

Mr. Staats is empowered to assess personal liability for misuse of public funds. The last time he threatened to use this power was in 1974, to secure an end of the Secret Service protection for ex-Vice-President Spiro Agnew four months after he left office.



Deutsche Bank, a century of universal banking

Attraction is not always a matter of strength.

Our position in the world of banking is more than just a question of volume. Both at home and abroad our accumulated experience in universal banking, backed by service and a tradition dating from 1870, has made us what we are today.

worldwide staff is trained to respond flexibly, even to the most demanding requests, and to make decisions quickly.

As a universal bank, we are familiar with the ins and outs of all aspects of international financing; we offer tailor-made solutions to your problems, as your partner both at home and abroad. Our

Our detailed knowledge of what's happening in world markets, our long banking tradition and excellent contacts have created our international reputation. These contacts can be passed along — to the benefit of your business.



Deutsche Bank

Central Office: Frankfurt (Main)/Düsseldorf





### Protesters Rout March By U.S. Nazis

ST. LOUIS, March 12 (UPI)—Members of the National Socialist party of America were routed yesterday by a hail of snowballs mixed with an occasional stone or bottle as they attempted to march through the shopping district of an old German neighborhood in South St. Louis.

Under heavy police protection, the 41 uniformed Nazis, who had gathered here for what they termed a national convention, set forth in a truck draped with banners reading "Remember Rockwell" and "White Power."

They had a city permit to march. But despite a bus and two vans loaded with policemen, a motorcycle escort and foot patrolmen along the route, they decided—upon seeing the several hundred apparently hostile onlookers gathered along the sidewalks—to remain in their truck.

Police use batons against anti-Nazi demonstrators in St. Louis as 41 members of the Revolutionary Socialist party (below) ride through southside of the city.



As the procession sped along with the Nazis chanting, the crowd responded with snowballs, which the youthful storm troopers fended off, as best they could, with swastika-bedecked shields. There were no apparent injuries.

### After Slaying of Policeman, Lawyers' Resignation

## Terror Suspects Boast of Victory as Turin Trial Is Delayed

TURIN, March 12 (UPI)—Members of Italy's most feared urban guerrilla gang issued a victory statement yesterday after their trial was postponed following the killing of a policeman and the defection of four more lawyers.

"The trial against our armed struggle has blown up in your hands," 49 accused members of the Red Brigades said in a statement handed to court officials. "Your mammoth lineup of men and equipment, your display of state terrorism could not prevent an armed unit from executing a high official of the local anti-terrorist forces," the statement said.

Defendants handed over the statement after presiding Judge Guido Barbato barred one of them from reading it in court from the steel cage where the 15 chief defendants were held in handcuffs.

#### Civil Lawyers

Judge Barbato adjourned the hearing until tomorrow after four lawyers whom he chose by lot as defense attorneys excused themselves on grounds that they specialized in civil rather than criminal cases.

Four other court-appointed lawyers had refused to serve on Friday, shortly after a terrorist command killed police warrant officer Rosario Berardi with seven bullets as he waited for a streetcar outside his home. Mr. Berardi, a former member of Turin's anti-terrorist squad, had arrested several of the defendants and had been scheduled to testify in the trial.

"The Red Brigades trial will not be held, tomorrow or ever," an anonymous telephone caller said after the killing. "Today we hit Berardi, tomorrow it will be a judge or one of his relatives." Judge Barbato appointed four more lawyers to replace the defectors for tomorrow's hearing. Among them is Maria Magnani Nova, a socialist member of Parliament.

#### Athens Bomb Hurts 18

ATHENS, March 12 (AP)—Eighteen people were injured, none seriously, when a bomb exploded in a theater showing a Russian film yesterday. Police believed the attack was the work of ultrarightists.

Judge Barbato had to interview nearly 150 candidates earlier this month before he found 14 people willing to take the risk of serving as jurors. The 14 also included a woman politician, Radical party secretary Adelaide Aglietta.

The 49 defendants, including the founder of the Red Brigades, Renato Curcio, face charges of kidnapping and forming an armed band to overthrow Italy's political and social order. They could get up to 23 years in prison if convicted.

Rome's appeals court ordered the Turin court to take over

proceedings against six alleged Red Brigades members who were charged in Milan. A Rome judge said that contrary to early interpretations, this order did not require a postponement of the trial against the Turin 49.

Two earlier trials of the 49, in 1976 and last year, were called off after the assassinations of a judge and a lawyer and the defection of a jury.

#### Extremists' Revenge

ROME, March 12 (Reuters)—Communist extremists bombed two police stations, a church hall

## Russia Hints Neutron Bomb No Bargaining Chip in Talks

By David K. Shieler

MOSCOW, March 12 (UPI)—The Soviet Union yesterday implicitly rejected a suggestion by Secretary of Defense Harold Brown that the United States might be able to use the neutron bomb as a bargaining chip to negotiate mutual restraint in the production of new types of weapons.

An official statement by Tass reiterated Moscow's readiness to agree on a joint Soviet-U.S. ban on the neutron bomb. But it said that any attempt to link the bomb "with other questions which have no relation to it" would be regarded as "unacceptable to the Soviet Union."

Ever since President Carter announced plans to develop the neutron bomb, a nuclear weapon that would kill people with its deadly spray of neutrons but leave buildings and other inanimate objects intact, the Soviet government has waged a vigorous campaign of opposition, warning that its presence in any arsenal would increase the chances of nuclear war.

#### Joint Ban

Leonid Brezhnev, the Soviet leader, proposed on Dec. 23 that both nations jointly renounce manufacture of the bomb, and he indicated that if Washington went ahead with its production the Soviet Union would produce it also.

A month later, Mr. Brezhnev

sent letters to the heads of government of the NATO countries warning against development of the weapon. The official press has repeatedly argued against its deployment in Western Europe, which is the area where Western military men believe it would be most useful in case of a Soviet attack.

Mr. Brown said Friday that he thought that the United States could bargain with Moscow on stopping development, if the Russians would forego development of advanced weaponry on their side. Without referring to Mr. Brown, Tass denounced "subterfuges of this kind," which it said were "calculated for naive people, but cannot deceive the world public."

Tass is authorized to state that the Soviet Union again reaffirms its proposal and calls upon the United States for a mutual denunciation of the production of the neutron weapon. The Soviet government is ready to start holding talks on this issue any time and conclude a relevant international agreement.

#### 10th Kidnapping in Italy

CATANZARO, Italy, March 12 (UPI)—Bandits early today kidnapped Francesco Pucillo, 46, a southern landowner. In Italy's 10th reported abduction of the year, police said.

## Personnel Shake-Up at White House Is Seen in Offing

By David S. Broder

WASHINGTON, March 12 (UPI)—The first significant shake-up in the White House staff since Jimmy Carter became President is expected to begin within the next few weeks.

Hamilton Jordan, who is increasingly playing the role of an unofficial chief of staff, has been conducting a top-to-bottom review of White House operations and reportedly is close to a decision on personnel shifts.

It is not known whose replacement Mr. Jordan will recommend to President Carter. But indications are that the shifts are likely to be concentrated at the levels just below that of the top half-dozen assistants, where, one official said, "we are painfully thin."

Mr. Jordan's resignation comes at a time when President Carter is under perhaps the greatest political pressure since taking office, with signs of strain showing as his staff attempts to cope with simultaneous challenges from the coal strikes, the Panama Canal treaties and the energy legislation impasse, to the stalled negotiations in the Middle East and the Soviet threats to détente.

#### Not Up to Job

Mr. Jordan's comments to associates in recent days indicate that he has reached the conclusion, voiced for months by others less influential in the administration, that the White House as presently staffed is not measuring up to the job at hand.

Mr. Jordan is known to have discussed possible changes of assignment with several people now on the White House staff, but it could not be learned whether he has approached others outside the executive office complex about joining the staff.

No expansion of the staff is contemplated, it was learned, so there will inevitably have to be dismissals or reassignments of present staff members. Mr. Jordan is reported to have told one person he interviewed, "The problem is not quantitative; it's qualitative."

According to several sources, Mr. Jordan, whose own role as the principal Carter staff assistant clearly seems to have survived the recent spate of adverse publicity about his personal life,

is moving with an authority in the personnel area which suggests that he has a mandate from the President to tighten up operations.

#### Hates to Fire

But Mr. Carter's personal aversion to difficult personnel decisions is well known to his long-time associates that some of them are still skeptical that many changes will be made. "He just hates to fire anyone," said one official. Another described President Carter as being "as soft on people as he is hard when it comes to money."

Even First Lady Rosalynn Carter is reported to have complained to friends that the President cuts her off when she suggests that some members of his staff are inadequate.

But Mr. Jordan has told associates that it has become obvious to him, in the course of his work on a variety of major problems, that parts of the White House staff are not performing up to standard.

It is not known with any certainty where he has pinpointed those shortcomings. Other critics within the White House, influential with the President but lacking Mr. Jordan's authority, have focused their criticism on the operations headed by presidential assistants Midge Costanza and Jack Watson Jr. and Counsel to the President Robert Lipshutz.

#### Special Claims

But all three of those senior aides have special claims on Mr. Carter's loyalty and there is no indication that the criticism of

them is serious enough to put their jobs in jeopardy. Miss Costanza, who handles public liaison with a wide variety of outside groups, is the only woman on the senior staff and was an early political backer of Mr. Carter.

Mr. Watson, who handles inter-governmental relations and Cabinet liaison, is a protégé of Mr. Carter's close friend, Atlanta lawyer Charles Kirbo. Mr. Lipshutz, another Atlanta, was treasurer of Mr. Carter's campaign for governor and president.

One senior assistant who received a good deal of outside criticism in President Carter's first year is clearly highly regarded inside the White House. He is congressional liaison chief Frank Moore. Both Mr. Carter and Mr. Jordan have

gone out of their way to underline their confidence in Mr. Moore in recent weeks.

#### Three Secure

The three other senior assistants—press secretary J. Powell, domestic policy adviser Stuart Eizenstat, and national security adviser Zbigniew Brzezinski—are also secure in their posts, though Mr. Brzezinski has received significant internal criticism on issues ranging from Mr. Carter's last overseas trip to a Brzezinski's recent brush with Jewish leaders.

Mr. Jordan has given some of the colleagues with whom he has spoken the impression that he is concentrating on moves that might strengthen the second echelon of the White House staff.

### Citing Apartheid

## Citibank, in Policy Reversal, Halts Loans to South Africa

By Michael C. Jensen

NEW YORK, March 12 (UPI)—In a reversal of its long-standing public policy, Citibank, the nation's second-largest bank, has decided not to make loans to the government of South Africa, or to government-owned manufacturing and utility enterprises.

The policy announcement was contained in a lengthy statement mailed Friday to shareholders of Citicorp, Citibank's parent company.

Along with other major U.S. banks, Citibank has been criticized as a supporter of the South African policy of apartheid for participating in major loan commitments.

Citibank refused to disclose the amount of its current loans to South Africa, but it is one of 11 U.S. banks responsible for most of the \$2.2 billion in outstanding loans to that country at the beginning of 1977, according to a recent U.S. Senate report.

The report indicated that Citibank had participated in \$767 million worth of syndicated loans to South Africa, mostly by government bodies like the Electricity Supply Corp. from 1974 through 1976.

#### Proxy Statement

Citibank said last year that it was "moderating" its business involvement with South Africa, but stopped short of declaring that it would not lend to the government.

In its new proxy statement, Citicorp said: "Specifically, Citibank has been making balance of payments loans in South Africa, nor making loans to the government of South Africa. Instead, Citicorp is limiting its credit,

selectively, to constructive private sector activities that create jobs and which benefit all South Africans."

The bank indicated that it might reconsider its stance if South Africa made "tangible progress" away from apartheid.

Timothy Smith, director of the Interfaith Center on Corporate Responsibility, described the Citibank action as "a very important first step" and a "reversal" of Citibank's former stance that it

would continue to make loans to South Africa if they were economically feasible.

It was not clear why Citibank decided not to make any new loans to the South African government. The bank repeated its former statement that it regarded apartheid as "having a negative effect on South Africa's economic viability."

U.S. bankers have been reluctant to rule out loans to the South African government, even

though pressure has mounted from activist groups. As recent as a few months ago no major bank had fully stated that it would bar such loans.

Recently, however, the Citibank Bank stated U.S. such loans were being "discouraged." An officer of the First National Bank of Chicago said earlier that loans to the South African government were "out of the question."

A spokesman for the Bank of America, the nation's largest, said Friday that it was maintaining its previous stance that it would make loans anywhere in the world where conditions seemed appropriate.

### Obituaries

## Songwriter Tolchard Evans, Composed 'Lady of Spain'

LONDON, March 12 (AP)—Songwriter Tolchard Evans, 77, whose music swept dance halls in the 1920s and 1930s, died in London today.

During his career he wrote more than 1,000 songs and lyrics, including the hit "Lady of Spain," which he composed in 1931.

His first big hit was "Barco

lone" in 1928 and a string of successes followed. They included "It's a Wonderful World" and "Let's All Sing Like the Birdies Sing."

His music enjoyed a revival in the early 1950s and his song "Everywhere" won the Ivor Novello popular music award two years running, in 1955 and 1956.

#### Baroness Tweedsmuir

LONDON, March 12 (Reuters)—Lady Tweedsmuir, 83, former chairman of the European Communities Committee of the House of Lords, died yesterday.

During a political career that began in 1956 she supported British involvement in Europe and was an early delegate to the Council of Europe. She negotiated the pact that ended Britain's 1973 "od war" with Iceland over fishing rights.

#### Tenzing Nangyal

NEW DELHI, March 12 (AP)—Tenzing Nangyal, 26, crown prince of Sikkim until it was annexed by India in 1975, was killed in an auto accident yesterday in the Sikkim capital of Gangtok, the Indian news agency Samachar reported.

#### Sophia Vembo

ATHENS, March 12 (AP)—Sophia Vembo, 62, called the "Victory Singer" for her wartime songs mocking Hitler and Mussolini, died yesterday.

#### Romanians in Damascus

DAMASCUS, March 12 (Reuters)—Romanian Premier Manea Marescu arrived yesterday at the head of an official delegation for a week's visit to Syria.

## India, China Agree to Talks To Try to Solve Border Feud

NEW DELHI, March 12 (UPI)—India and China agreed yesterday to resolve their 16-year-old border dispute through negotiations, a Foreign Office spokesman said.

The agreement was reached after a meeting between Indian Prime Minister Morarji Deasai and a Chinese delegation headed by Wang Ping-nan, alternate member of the Chinese Communist party's Central Committee and president of the Chinese People's Association for Friendship with Foreign Countries. Assistant Mr. Wang was the Chinese ambassador to India, Chen Chao-yuan.

The Indian official said: "In the course of the exchange of views, the border question also came up briefly and both Deasai and Wang were of the view that it should be solved through negotiations and by peaceful means."

Chinese Occupation  
The spokesman said that Mr. Wang raised the border issue and Mr. Deasai responded to it. It is the first time that Peking has agreed to reopen the border issue, sources said. The spokesman refused to discuss the next step, saying that it was speculative.

The two countries have been involved in a territorial dispute since 1967 when Chinese troops

occupied 12,000 square miles of eastern Kashmir.

In a short war in 1962, the Chinese occupied another 2,000 square miles, giving them a total of 14,000 square miles that they still hold. China claims a total of 49,000 square miles of what the Indians say is their territory—32,000 square miles in Arunachal Pradesh, bordering Bangladesh, and 17,000 square miles in Kashmir.

Peking Indication  
Even before the 1962 war, Peking indicated that it would withdraw its claim on the Arunachal Pradesh territory if the Indians would accept the Chinese claim on Kashmir.

Peking's position until yesterday's meeting had remained the same although New Delhi has not accepted China's claim to eastern Kashmir.

Mr. Deasai said last month that he was prepared to meet any Chinese leader in a bid to improve relations because "India believes in negotiations, not wars."

China's initiative in discussing the border question was taken three days after Indian Foreign Minister Atal Bihari Vajpayee accepted an invitation to visit China.

The 13-member delegation from China is the first to visit India since the 1962 war. They were invited for two weeks by the Committee for a Memorial to Dr. K. K. K. an Indian doctor who died in China in 1942 while on a medical mission.

## Claude François Pop Singer, Dies In Bath Accident

PARIS, March 12 (UPI)—Claude François, 38, one of France's best-selling pop singers, died in a bathroom accident in the Paris apartment he was visiting yesterday.

Fans rushed to his home and screamed, wept and rolled on the ground in mourning.

Police were forced to put barricades to hold back the crowd of admirers, mostly teen-agers.

Mr. François was killed while changing light bulbs after he had been bathed. Despite efforts by friends and a doctor to reactivate his heart, the singer died shortly after the accident.

Mr. François, born in Ismailia, Egypt, became famous in 1965 with a song he composed, "Bel Belles, Belles."

## PARIS AMUSEMENTS

JEAN-MARIE RIVIERE

PARADISE

DINER-SPECTACLE

FETE ALCAZAR

LIDO

PORTUGAL HOLIDAYS

see classified

**PARIS SHERATON**

The largest hotel on the left bank  
Close to Saint-Germain-des-Prés  
6 subway stops to Champs-Élysées  
Montparnasse, Capital Sheraton  
The most spacious 1,000 bedrooms in PARIS.

PHONE 260.35.11

\*\*\*\* LUXE  
Paris-Sheraton Hotel

Parking

**14. Your father's opinion.**

(Another good reason to call home.)

An international call is the next best thing to being there.

**WRITERS WHY WAIT?**

**PUBLISH YOUR BOOK IN 90 DAYS**

... and get expert editing, design, manufacture, publicity, promotion and advertising—all under one roof at low costs. Two free books and literature give details and success stories. Write or call Dept. 29

EXPOSITION PRESS, INC.  
800 So. Oyster Bay Rd., Melville, N.Y. 11761  
(516) 522-2000 (1-800-855-0001)

**PORTUGAL HOLIDAYS**

see classified

**LIDO**

NORMANDIE 116 CHAMPS-ÉLYSÉES  
NOUVELLE SUPER-REVUE  
"Allez Lido"

20 H DINER DANSANT  
1/2 cocktail, entry suggested  
revue

22 H 30 CHAMP-ÉLYSÉES  
O H 45 2<sup>e</sup> SPECTACLE

Revue, 523.11.01 et 02 après





ALL THE PM'S MEN—In what is believed to be the first time that a British prime minister and his Cabinet have been photographed during a session at 10 Down-

ing Street, Prime Minister Callaghan, at left corner of the fireplace, is surrounded by members of his government in a photo made recently by David Cairns.

#### After Meeting Caramanlis

### Ecevit Puts Blame on Carter, Not Congress, for Arms Delay

By Nicholas Gage

MONTREUX, Switzerland, March 12 (UPI)—A conference of the leaders of Greece and Turkey ended here yesterday with an attack on the Carter administration by Turkish Premier Bülent Ecevit.

After Premier Constantine Caramanlis of Greece had departed for Athens, the Turkish Premier charged that the U.S. administration, while blaming Congress, was responsible for holding up military aid to Turkey.

Mr. Ecevit said he was so angry that he had sent a message to Washington in the middle of his talks with Mr. Caramanlis, a note in which he threatened "to revise many of our policies" toward the United States.

The two Premiers did not reach agreement on any issues between their countries, but a communiqué said they would continue their talks at a later stage "to obtain practical results."

#### Stance Hardened

Mr. Ecevit's pique at Washington apparently had an effect on his talks with Mr. Caramanlis. Greek delegation sources said the Turk had appeared flexible in the first meeting Friday morning but took a more hardened stance when the talks resumed in the evening.

He told friends that he had

received information between sessions that Washington would base its support for resumption of military aid on developments not only in Cyprus but in the entire eastern Mediterranean, which the Turkish leader believed meant Greece. Mr. Ecevit apparently felt that the United States was trying to induce him to make concessions, and he reacted by taking a hard line.

"Thus far the United States administration has claimed that the difficulties in restoring Turkish-American cooperation came from Congress," he said. "But in recent days quite a large number of congressmen seem to have adopted a very realistic and constructive attitude and asked the Carter administration's position on the matter so they could speed up the procedure. The administration's response has been, to say the least, rather vague and rather unhelpful. So we have

#### Quake Rocks Sicily

MESSINA, Sicily, March 12 (AP)—Thousands fled into the streets last night when an earthquake rocked Sicily and southern Italy. Authorities said the quake, rated at 6 degrees on the Mercalli scale of 12, was centered in the Mediterranean about 10 miles southeast of Taormina.

begun to doubt whether the difficulty comes really from Congress or rather from the administration.

Mr. Ecevit seemed particularly distressed by Secretary of State Cyrus Vance's statement Thursday to the House Appropriations Committee that the administration would wait for the conclusion of the Montreux meetings and the submission of Turkish proposals for a Cyprus settlement before deciding whether to press for approval of mutual defense agreements with Turkey and Greece.

#### Negative Surprise

The Turkish leader said Mr. Vance's statement came "as a surprise in the negative sense" in his talks with Mr. Caramanlis. "We can't help getting the feeling that American politics was somehow being involved in the discussions we were having tête-à-tête in Montreux," Mr. Ecevit said that his meeting with Mr. Caramanlis was successful in establishing "a climate of mutual confidence."

The communiqué said the two leaders would resume their discussions "with the conviction that they would be able to obtain practical results that will open the way for concrete solutions to the various problems that have been damaging Turkish-Greek relations."

While Mr. Ecevit had said from the outset that concrete results should not be expected from the initial meeting, he had hoped to reach agreement on some issues.

Mr. Ecevit said he had discussed Cyprus with Mr. Caramanlis but not in detail. "Mr. Caramanlis, since he considers that this problem should be discussed directly between the two communities on the island, wanted to hear my views only briefly on the matter," he said. "But I'm sure that neither of us shall refrain from giving the encouragement that may be needed to both sides on Cyprus to facilitate their search for a viable solution."

#### Turkey Protests

ATHENS, March 12 (Reuters).—Turkey yesterday protested to Greece over bomb attacks on three Turkish Embassy cars here. An organization calling itself the Armenian Secret Army has claimed responsibility for the attacks.

#### Arms Surrender Ordered

NICOSSIA, March 12 (AP).—President Spyros Kyprianou of Cyprus yesterday gave the Greek-Cypriot EOKA-B underground until May 15 to surrender all its weapons unconditionally. A presidential statement said those responding to the offer would not be prosecuted.

### Command Makes First Public Complaint

## UN Observers in Lebanon Victims of Thefts

By H. D. S. Greenway

JERUSALEM, March 12 (UPI).—Since 1975, UN observers in Lebanon have been robbed, wounded and shot at and had their trucks, jeeps, radios and other equipment taken at gunpoint by the various warring factions.

Although many news stories have been written about the plight of the unarmed UN observers, the one thing the UN peacekeeping force in the Middle East has never done is to publicly complain. The reasoning was that the UN thought that a public complaint would hurt its image of impartiality.

For the first time, the UN publicly complained yesterday.

In two press releases, the UN command announced that on March 7, while trying to change personnel at its observation post at El Khiam, near the Israeli border, the UN observers came under fire between Christians and Palestinians fighting in the area. One UN observer suffered a broken arm and shrapnel wounds from mortar rounds fired "from positions in the Christian-controlled areas," according to the UN.

#### Vehicles Are Destroyed

"Additionally, two clearly identifiable UN vehicles were completely destroyed by tank and mortar fire from the Christian-controlled areas," the UN said.

The wounded man was taken by UN ambulance to a Beirut hospital, according to the press release, although Beirut is several hours from El Khiam, while there is an Israeli first-aid post only a few kilometers away.

The UN complained that the relief operation was a normal,

scheduled change of personnel and the routes were known to both sides.

Additionally, another UN relief operation at Hin, in southern Lebanon, was stopped by Christian forces, and the UN vehicle stolen. Later the vehicle was returned, "but without the personal belongings of the observers," the report said.

On March 9, the same observation post "was forcibly entered by six members of de facto forces from Christian-controlled areas wearing Israeli defense force uniforms," according to the second UN press release.

"Men stole, at gunpoint, from the unarmed observers a UN vehicle and other UN property along with personal belongings. The observers identified the men as the same person responsible for theft of UN property on March 7 in the same observation post."

UN sources said here that UN headquarters had informed all

the governments involved and, since the incidents of theft and hijacking were growing worse, the UN had decided to go public. Similar incidents will be regularly reported, the source said.

The references to Christian forces wearing Israeli uniforms will not please the Israelis because, in recent weeks, the Israeli media have been reporting outrages committed on UN observers by Palestinians while making no reference at all to the involvement of Israeli-backed Christian forces in southern Lebanon.

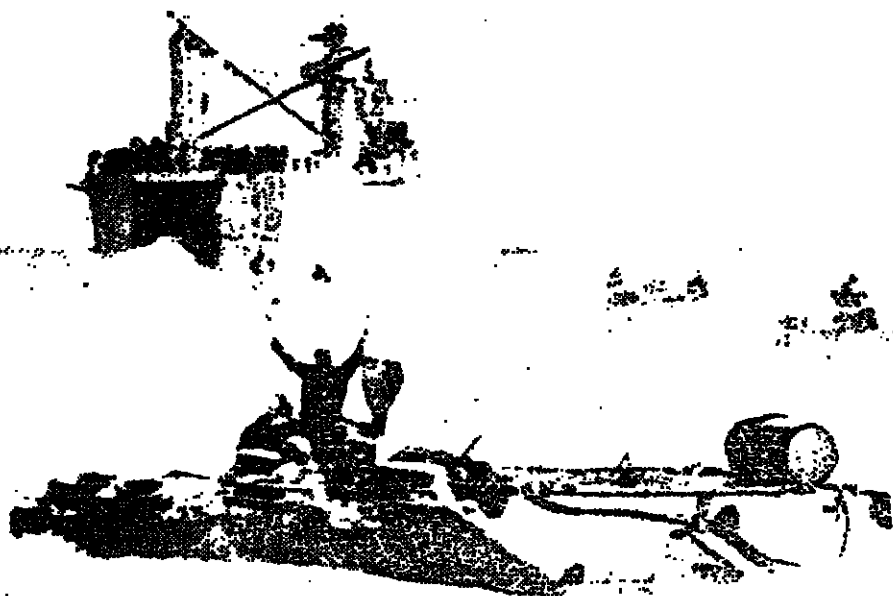
According to UN sources here, the Palestinians were responsible

for most of the thefts until September of last year, when the Israelis made a major incursion into southern Lebanon. Since then, the sources said, the Lebanese Christians have become the prime offenders. In February, for example, about 18 UN vehicles were stolen in southern Lebanon and all but one were stolen by Christian forces, the sources said.

#### Fighting Continues

HASEAYA, Lebanon, March 12 (UPI).—Rival factions in southern Lebanon exchanged tank artillery and heavy-machine-gun fire for the fourth straight day yesterday and Beirut newspapers reported frequent overflights by Israeli warplanes.

Lebanese sources estimated two people were killed and four were injured in the fighting in the southeast corner of the country between joint Palestinian-Lebanese leftist forces and Israeli-backed Christian rightist forces.



Associated Press.

U.S. and South Korean troops conduct a landing rehearsal at Pohang Beach, South Korea.

### 100,000 U.S. and South Korean Troops Practice War

SEOUL, March 12 (UPI).—

Marines stepped up their landing rehearsal and infantrymen continued ground operations north of here during the week-end as the U.S.-South Korean combined exercise "Team Spirit 78," involving more than 100,000 men, gained pace.

Rain and snow that hampered part of Friday's program of the joint war games stopped, al-

though strong winds were still blowing off the southeastern coast where marines and Navy units were training. U.S. military officials said.

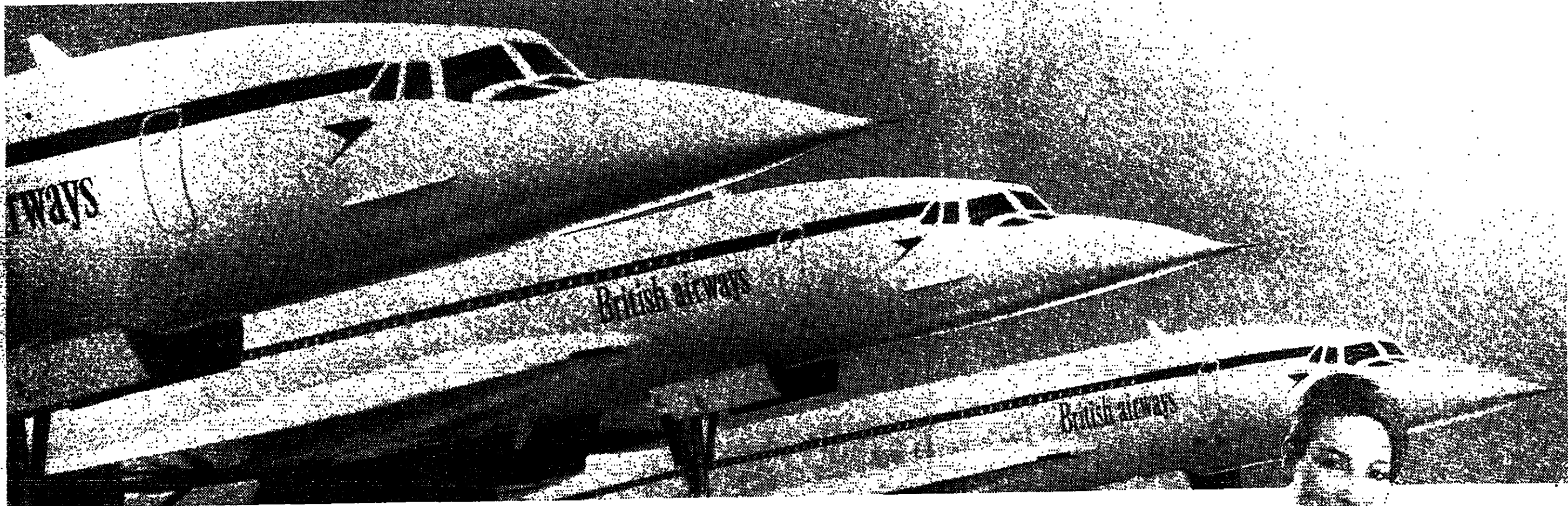
The marines landed on the Pohang beach, 190 miles south of Seoul, today in one of the highlights of the exercise, the officials said.

The exercise involved 30,000 of the 33,000 ground troops in

South Korea, 22,000 GIs from bases in the United States and the Pacific, and 65,000 South Korean troops. It is said to be the largest exercise since the 1950-53 Korean War.

A flotilla from the U.S. 7th Fleet, led by the aircraft carrier Midway and a South Korean Navy task force, conducted anti-submarine and anti-fast boat operations off the southeastern coast yesterday.

# British Airways Concorde—your supersonic time-savers to New York Washington and the Gulf



**New York** Now British Airways New Yorker, flies every day except Saturday.  
Leave London 11.15 – arrive New York 10.00 (local time).

**Washington** British Airways Concorde flies to Washington every Monday and Saturday.  
Leave London 13.00 – arrive Washington 12.10 (local time).

**Bahrain** British Airways Concorde flies London-Bahrain in 4¼ hours every Wednesday, Friday and Sunday.  
Leave London at 13.00 – arrive Bahrain 20.15 (local time).

'Can we help you?'

**British  
airways**





## Impertinent Question Mark

The idea that American Jews are—or should be—united on the very issues that now divide Israel's parliament and Prime Minister Begin's Cabinet is, plainly, preposterous. Yet some leaders of the U.S. Jewish community are not only pretending to such unity, they also seek to promote it by hunting for villains in President Carter's court. It is an unworthy, dangerous diversion from the serious questions that need to be faced in the Middle East and that, happily, are being faced by the Israelis themselves.

Let us quickly drive this sad but apparently necessary message to the point: It is scoundrelous to suggest that Zbigniew Brzezinski, the President's security adviser, is anti-Israel or anti-Semitic. It is insulting to suggest that President Carter, too, is now "a question mark" in the eyes of American Jews—insulting to a President who, right or wrong, has impressively addressed the complex problems of Israel's security, insulting to Jews—and all others—whose concerns for Israel are informed by more sophisticated analysis.

It does not really matter what political imperatives prompted such an unfortunate approach to the issues by Rabbi Alexander Schindler, the normally wise and diplomatic chairman of the conference of presidents of major American Jewish organizations. He has been among the most enlightened critics of Israeli policies. We can well imagine that the job of trying to speak for American Jews to the White House these days is a difficult, unenviable task. But that is not because sinister counselors block the path to President Carter or underestimate the political standing of Israel's friends. It is because Israel's true interests at this historic juncture are, everywhere and properly, the subject of intense debate.

The question is whether Mr. Begin is missing a rare opportunity to make peace with

Egypt by holding out for excessive terms: Does this diplomacy seek genuine security or also, beyond security, more territory than was ever sought by his predecessors? President Carter and all his top advisers momentarily suspect that Mr. Begin seeks more than he needs or can reasonably expect to achieve. They are holding fast to the traditional American position that support for Israel should not extend to claims of Israeli sovereignty far beyond the lines that prevailed before the 1967 war. That may be a debatable proposition, among Jews or anyone else, but there is nothing perfidious about it.

There also exist other important questions about Israel's wisdom in erecting new settlements in disputed regions during the peace talks and about the United States' wisdom in selling jet fighters to Saudi Arabia. You don't have to be Jewish to disagree with President Carter's judgments in these matters, or non-Jewish to agree.

There is more important work to be done by Jewish leaders than to rate President Carter's advisers on some spurious scale of sympathy for Israel. It is not leadership to play on the fears of American Jews who have so long endured the genuine threats to their brethren in the Middle East. Leadership now lies in helping Americans understand why President Sadat and other Arab leaders appear ready to bury the old enmities; why Israel, too, needs to recalculate its long-term security position, and what risks reside in President Carter's conscientious attempt to arrange a lasting peace. Leadership now lies not in standing firmly behind the Israeli government's negotiating position of the week but in sorting out the difficult options that are causing such healthy controversy in Israel itself. The pertinent question mark belongs after the phrase, "Why not argue the issues on the merits?"

THE NEW YORK TIMES.

## A Question of Competence

Thanks to a series of maneuvers so maladroit as to be almost unbelievable, the Carter administration is now confronted with serious questions about the integrity of the Department of Justice. The routine replacement of a U.S. attorney has been made to appear as if it were part of a major scandal. And a partial victory over the Senate on the merit selection of judges has been made to look as if it were an undercover deal to institutionalize political patronage. As a result, what would have been a pro forma hearing on the nomination of Benjamin R. Civiletti to be deputy attorney general has become a wide-ranging inquiry into the way the Department of Justice is operating. The longer the inquiry goes on, the worse those operations look. The evidence so far does not demonstrate that the department is actually lacking in integrity. But it does suggest the department lacks some other qualities that you would pretty much count on finding in the government's law-enforcement agency.

\*\*\*

Start with the affair of David W. Marston, who was removed as the U.S. attorney in Philadelphia. Everything Mr. Marston has done since his removal indicates that Attorney General Griffin Bell was correct in his decision last spring that Mr. Marston, a last-minute patronage appointee of the Ford administration, ought to be replaced. Before that decision could be carried out, however, Mr. Marston had embarked on an investigation of two congressmen who were pushing to get him out of office and he had become a popular hero in Philadelphia for his pursuit of corruption. Those two facts made removing him a delicate matter. But President Carter and Mr. Bell went ahead without a second thought, spurred on by still another telephone call from one of the congressmen. Their explanation subsequently was that they didn't know about the investigation. That lack of knowledge would be incredible except that it squares with the other things that are coming out about the department's internal operations. You would think that the attorney general and the president would be told about any investigation of a congressman if only to protect them from publicly collaborating with someone about to be indicted. But not in this administration.

In any event, neither the White House nor

the Department of Justice seemed to understand its problem. Misleading information was provided about the ouster, and material was excised from various documents because its publication might appear to be embarrassing. The result is that it looks as if Mr. Marston has been removed to stop the investigation, and as if that seeming obstruction of justice was then clumsily covered up. We don't believe that's what happened; it would out against the entire public record of both the President and the attorney general. But neither of them seems to grasp the fact that the way the matter has been handled gives plausibility to such a conclusion. Indeed, the Department of Justice is now under tremendous pressure to prosecute the congressman, whether or not the evidence justifies it, to disprove the accusation.

\*\*\*

Now consider the President's effort to move toward a merit system for selecting judges and prosecutors on the basis of merit. The deal the attorney general or the President (or both) made with Sen. James O. Eastland, D-Miss., gave the President part of what he had promised during the campaign by taking appellate judges out of the patronage system. Given the stranglehold the Senate has had on those selections in the past, that was no small triumph. But by providing misleading information and squirming around on the issue, the administration has made it appear to the public that it was the President who gave up something and that he has turned his back on merit selection in favor of patronage.

What is going on here, anyway? If the Department of Justice has mangled these relatively simple matters, how many other matters of greater moment have been similarly mishandled? What is lacking in that department's operations, it seems to us, is elementary political acumen. Sooner or later, the attorney general has got to come to grips with the fact that managing the Department of Justice is more than just deciding legal questions. It also involves a sensitivity to appearances and an awareness of the important role the department has in protecting the President from certain pressures and unwelcome, but costly, errors. It's a matter—to use the President's favorite term—of "competence."

THE WASHINGTON POST.

## International Opinion

### Success Seen for West

The Soviet Union fought to keep human rights issues off the floor but the West and the neutrals succeeded not only in defeating

this but in turning Belgrade very much into a human rights conference. To this extent, Belgrade, far from being a walkover for the U.S.S.R., was a success for the West.

—From the Sunday Times (London).

## In the International Edition

### Seventy-Five Years Ago

March 13, 1903

ST. PETERSBURG—Tsar Nicholas II promised great reforms in a message to his people yesterday. He insisted on the free exercise of religion and a better condition for the clergy, laying special emphasis on the promise of greater tolerance for all. He said there would be more freedom for the peasants, who would no longer be subjected to arbitrary punishment by the local authorities.

### Fifty Years Ago

March 13, 1928

BUDAPEST—Because, in the opinion of the minister of public education, skirts have become too short, all girls students in the state schools and colleges have been ordered to wear sailor suits with wide trousers. These suits will closely resemble the uniforms of the Hungarian Navy. The order is seen as an indication of the future of feminine dress, as supported by many Paris couturiers.



## Bill on Retirement Deserves Debate

By David S. Broder

WASHINGTON—With little public notice, Congress is about to pass a bill that will affect the future work opportunities of almost every American. It is a measure opposed by most business organizations and viewed with skepticism by the AFL-CIO, and yet there is hardly a politician ready to raise a word of caution about it.

It is the bill that would ban any mandatory retirement age for federal workers and give almost all private-sector employees protection against involuntary retirement up to the age of 70, instead of the present ceiling of 65.

The political appeal of the measure is indicated by the fact that it passed the House last year with only four dissenting votes.

And it was approved in slightly different form, by the Senate, with only seven "nays."

### Compromise

A conference committee of the two bodies now has agreed on a compromise version of the bill, which may be up for approval in the House as early as this week.

It is a politically appealing measure, described by proponents as an answer to the evils of "age discrimination." But, from another perspective, it can also be called an "I'm all right, Jack" bill. For if it becomes law, it means that those of us who have jobs can hold onto them longer, if we wish, while younger people, scrambling for a foothold on the employment ladder, wait still longer in the cold.

The hearings on this measure, which whisked through Congress with extraordinary speed, are full of noble sentiment about the rights of senior citizens. But they are conspicuously lacking in anything that can be called a solid estimate of the legislation's impact on a job market where teenagers are having a tough time finding entry-level opportunities and minority youth unemployment rates in some cities run up to 40 per cent.

It is known that voluntary early retirement before the traditional age of 65 has become more and more popular in the last decade.

Relying on that trend, the U.S. Department of Labor told Congress that it estimates that only 150,000 to 200,000 older work-

ers would take advantage of the bill's protection against forced retirement at age 65. Even a shift of 200,000 jobs from the young to the normally retired is a social decision of some consequence. But there are indications that the effects may be much larger than that.

A personnel officer of Sears, Roebuck said he thought that the law would cut his firm and eliminate 20,000 "job change opportunities" (hiring and promotions) in the first five years of application to that one company alone.

Arthur Prime Jr., testifying for the U.S. Chamber of Commerce, said it was "very clear to us that if this legislation goes through it is going to undermine in many companies the affirmative-action programs that provide for improved opportunities for young and minority workers." Vernon Jordan of the National Urban League expressed the same fear and so did Bert Seidman, director of the Social Security department of the AFL-CIO.

"It may be unjust to force retirement on those who are healthy and want to continue working," Seidman said. But it is "equally unjust to lay off younger workers with families to support and retain at work elderly workers who are eligible for Social Security benefits, a good private pension and health care."

Despite Seidman's reasoned objections, the AFL-CIO has now adopted a position of neutrality toward the legislation after winning a provision, "grandfathering in" all existing union contracts that have mandatory retirement provisions at an age younger than 70. "We decided," said one AFL-CIO lobbyist, "just to let Congress go its way."

The Carter administration, no more eager than Congress to confront the elderly and their jobs, is giving the bill its blessing. So there is little to halt its progress.

### Dangerous

Questioning benefits for the elderly is dangerous for politicians—and even for reporters. Like this one, who are on the downward side of their own graceful slump toward retirement. A previous column on the subject of the exponential growth of federal payments to the retired a few years back gave ample warning that any discussion of such

questions is likely to invite the charges of ingratitude toward one's elders.

But the issue is there, whether we like it or not. There are hard choices involved. Every elderly third-grade teacher who decides to stay in the classroom an extra five years means that five more classes will be taught by a 1980 college graduate, rather than a 1975 graduate.

Every federal employee who decides to hold onto his job indefinitely means that much less change in the bureaucracy.

These issues deserve more debate than they have received in the legislation that is about to become law.

## Why Siegel Is Leaving White House

By Rowland Evans and Robert Novak

WASHINGTON—While Dr. Mark A. Siegel's split with President Carter's even-handed Midwest policy was probably inevitable, a troubling question persists: Why must this talented young man now be entirely lost to a beleaguered White House in desperate need of talent?

The indelible answers probe into murky corners of life in the Carter administration: continued suspicion of outsiders by the President's campaign operatives; an ambiguous role played by Vice-President Mondale's office; the Democratic party's old "regular" vs. "reformer" feud carried on within the White House.

Wholly apart from the Midwest, Siegel's loss ought to be cause for White House mourning; instead, the enemies he has there have been congratulating themselves that the wicked witch is dead. That is ironic, because Siegel has been more devoted to Jimmy Carter's real political interests than some of Siegel's foes on the Vice-President's staff. So, a few thoughtful Carter insiders, while disagreeing with Siegel's emotional Midwest position, see in his departure a poor reward for loyalty.

His unadorned suspicion about Siegel's loyalty has plagued him since Jan. 21, 1977, when he entered the White House as an assistant to Hamilton Jordan. As executive director of the Democratic National Committee, Siegel had been part of the Washington establishment, a key strategist for the party "regulars," and a protégé of Hubert Humphrey who urged Humphrey to run against Mr. Carter in 1976.

Not was that all. Siegel knew entirely too many reporters, nearly as bad a stigma at the White House now as in Nixon days. Press Secretary Jody Powell unjustly suspected Siegel as a source of embarrassing leaks. Carter campaign veterans, led by Appointments Secretary Tim Kraft, refused to accept him.

Last year, a reporter who had written critically of the Carter administration (and had not seen Siegel in weeks) bumped into Kraft in a corridor of the Executive Office Building next to the White House. "Can't you find Mark Siegel's office?" Kraft asked sarcastically. Like Nixonian predecessors, Siegel feared being seen in restaurants with newsmen, not on the Carter friends list.

In truth, Siegel was scrupulously loyal to the President in

word and deed. Furthermore, his political contacts were a rare and essential commodity in the Carter White House—an endangered commodity. Early in 1977, Siegel was assigned that secondary and frustrating task of shepherding the Equal Rights Amendment through state legislatures.

Gradually, however, he grew closer to Jordan, who convinced Powell of his dependability. Siegel was given the task of protecting the President's interests at the Democratic National Committee. They needed protection because of the unfortunate choice as the Democratic national chairman, former Gov. Kenneth Curtis of Maine, who viewed big-time party politics as a New England town meeting.

This brought Siegel into confrontation with Richard Moe, the Vice-President's formidable assistant and an ally of the national committee's "reformer" element. While Siegel was carrying out Jordan's desire for rules changes to make more difficult a 1980 insurgent challenge against Mr.

Carter, Moe was sympathizing with "reformers" and Chairman Curtis in their crusade for democracy within the party.

Curtis was eased out as national chairman. But angry "reformer" members of the national committee were placated by Moe's assurances that Siegel no longer would handle party affairs for the White House.

Siegel was delighted last autumn when he became White House emissary to the American Jewish community. In fact, however, considering Mr. Carter's conspicuous policy in the Midwest and Siegel's sincere personal commitment to Zionism, trouble was inevitable.

### Intended to Stay

When Siegel went to Jordan March 1 and told him he could no longer defend the Carter-Midwest policy to the Jewish community, his intent was to stay on at the White House. Siegel's enemies are spreading the word that Jordan and the President wanted him out entirely. Siegel declared unequivocally that the decision to resign was entirely his own.

Assuming that Siegel jumped instead of being pushed does not change matters much. The political background doomed Siegel once he opposed the President's Midwest policy. The immediate reward for one year's loyal service in a variety of unpleasant tasks was Mr. Carter's uncomely reference to him on national television as "an employee." Among some thoughtful souls at the White House, that is cause for sadness and cynicism.

## Voice of America Gets High Marks

By James Reston

DAMASCUS—In the struggle over the Middle East, Washington's official overseas radio service, the Voice of America, is in the center of a ceaseless propaganda battle. And since its work is now under review and even attack by some members of Congress, a report from the field may be in order.

In the last three months, I have listened carefully to its English-language broadcasts in such diverse places as Japan, Australia, Tahiti, West Germany, Yugoslavia, Italy, Egypt, Jordan and here in Syria. This may seem an extreme statement, but for detailed accounts of the world's news, I believe there is nothing on the commercial networks of the United States that equals its performance.

The Voice may not be quite as effective in the Middle East as the British Broadcasting Corp., which broadcasts signals from the island of Cyprus than the Voice does from its relay transmitter on the island of Rhodes, off the coast of Turkey, but it has more reporters in more places than the BBC, and like the BBC, it has learned over the years that the best propaganda is an honest account of the facts.

Two technical improvements have increased its authority: New modern transmitters, placed in strategic places around the world, have extended its reach, and new short-wave radio receiving sets, comparatively inexpensive and no bigger or heavier than an average paperback book, are now coming on the market from Japan and reducing those hideous squeals and howls that have discouraged short-wave reception in the past.

Moscow radio has held its own and more in the technical broadcast race. It comes over every short-wave channel loud and clear, from more transmitters and with more programs, but it has two problems. This propaganda battle is not directed primarily at the general public, but at the educated elite and one of the most important facts of international life today is that English has established itself as the language of the modern intellectual and commercial world. Even here in Syria, which was dominated by France for many years, English is clearly the second language of the people who influence public opinion.

The Soviet broadcasters have another problem. They don't broadcast news to the elite who listen and think, but broadcast outrageous propaganda at the boots, who don't listen. Soviet Ambassador Anatoly Dobrynin, who is so genial in Moscow for détente and a reduction of tensions in Washington and Moscow, should listen sometime to this intellectual garbage coming

out of Moscow. The way they muck-rake America, night and day, is an international scandal, and, fortunately, the more they spread it, the less it is likely to be believed.

Maybe when they talk to Africa in the dialects, and they are talking to opinion-makers in English, they claim to have the answer to all the problems of countries whose names they can't even pronounce.

The Voice of America is quite different. It is very cool. It says, here is the news, and even Walter Cronkite wouldn't be ashamed to read it. The coal strike in the United States is reported in detail, including the threat of the miners to defy President Carter and the Taft-Hartley Act. The decline of the dollar on the money markets of the world and the latest rise in food prices are reported, along with the new technical and scientific inventions in the United States.

### Press Censored

The press is censored here, but people know by radio the latest news out of Paris on the French elections, the efforts to reach a compromise in the war between Ethiopia and Somalia, and what Jan. Smith said about going to a conference to reach a final settlement in Rhodesia. And they hear the latest songs—hits out of Broadway and Hollywood, not only from the Voice of America, but from Radio Moscow, which has learned that most people are more interested in American music than news from anywhere.

The Voice of America performs another service. In the last generation, with the development of large multinational corporations, tens of thousands of young American executives have gone abroad with their educated wives and children. Not only in commerce but in the foreign service.

The Voice is a link to home for these people, particularly the wives, who are having trouble finding independent jobs and lives abroad. America, in its world role, is not like Britain, which had the Scottish nanny and the British public school to help reconcile family life and work abroad, but at least these people can get news from home on the Voice.

It is a costly service, which is why the world Congress, it is an honest service, reporting our national failures as well as our virtues, which also troubles those who want it to produce nothing but propaganda. But heard over here, a long way from home, it seems worth the money, and even makes you proud.

INTERNATIONAL Herald Tribune 2400 N. 1st St. Suite 1000, New York, N.Y. 10010  
Tel. 212-250-3000. Telex: 220,000 Herald, Paris. Cable: Herald Tribune.  
La Tribune: 2400 N. 1st St. Suite 1000, New York, N.Y. 10010  
In U.S.A.: Subscription price \$25.00 per year  
Second class postage paid at Long Island City, N.Y. 11101  
© 1978 International Herald Tribune. All rights reserved.  
Composition: Partibreve No. 3, 4, 5



# China's Power Shifts Reflected in 2d Rank

By Jay Mathews

**HONG KONG (WP).—**Every political convention produces its winners and losers, and China's fifth National People's Congress—equivalent to a legislative body—has provided some of the first concrete signs of who is rising fast in the post-Mao era.

The obvious stars of this new government are the Communist party chairman and Premier, Hua Kuo-feng, who retained his unprecedented role as head of party and government, and Vice-Chairman Teng Hsiao-ping, who put many old cronies in important jobs even if he did not get the premiership for himself.

But it is in the rank just below Mr. Hua and Mr. Teng that the most significant movements within the all-powerful, 23-member party Politburo can be seen. Congress name lists show significant gains for two

outspoken participants in the campaign to criticize Mr. Teng that raged in the last few months of Mao's life and ended shortly after the old chairman died. Mr. Teng's friends in the army and government enlisted Mr. Hua's support, arrested the anti-Teng faction in the Politburo, and brought Mr. Teng back to lead his administrative and intellectual energies to reviving the Chinese economy.

Mayor Wu, Marshal Chen and some others seemed to have wrapped themselves in Mr. Hua's cloak in reaction to Mr. Wu's regularly beside Mr. Hua at public appearances, and so far he and some other like them have survived.

## Peeking Disorder

Since they reorganized themselves just before August's 11th National Party Congress after two years of intense political infighting, the Politburo members have declined to put themselves into the kind of class pecking order that Chinese officials usually prefer.

Many visitors to China will attest to the Chinese fetish for having a leader, deputy leader and other clearly ranked members even in tourist groups. But in reaction to the political uncertainties of the day, the Politburo below the first five places has steadily listed itself only in the Chinese equivalent of alphabetical order.

The just concluded People's Congress has been forced, however, to draw up some nonparty rank lists that give substantial clues to the results of maneuvering in the last several months.

Peking commander Chen, for instance, should have been No. 3 in the new list of 13 vice-premiers, based on his ranking after the last Congress in 1975. Instead, he is No. 6, having been overtaken by the rising star of army Marshal Hu Hsiang-chin, 76, and two younger men, petroleum and planning expert Yu Chiu-li, 64, and the somewhat mysterious party technocrat, Chi Teng-kuei, about 60.

## Army Friends

Mayor Wu would rightly have expected to find himself listed third among vice-chairmen of the Congress based on his 1975 showing. But now he is fifth, having been overtaken by army marshal and nuclear weapons expert Nieh Jung-chen, 74, and the Mongol leader Ulanfu, 74. Mr. Wu has, surprisingly, managed to stay ahead of a fast-rising south China leader, Wei Kichung, a Teng protégé who has assumed important new responsibilities in the army. This may be a measure of the developing ability of Mr. Hua, 87, to protect some people identified with him.

Mr. Wu and Marshal Chen have clearly suffered for their

## Iran Will Free 26

**TEHRAN, March 12 (AP).—**Shah Mohammad Reza Pahlavi has ordered the release Tuesday of 26 prisoners, including 26 jailed for political offenses in an amnesty marking the 100th anniversary of the Pahlavi dynasty's founding.

## Despite Efforts of Moderate Arabs

**Southern Yemen Stands Firmly by Russia**

By Thomas W. Lippman

**CAIRO (WP).—**Two years of check-and-balance by Saudi Arabia and political courtship by moderate Arab states have apparently failed to nudge Southern Yemen out of its role as the Soviet Union's most faithful ally in the Arab world.

Signs that anti-Soviet Arab states "thought they had detected, indicating that the Aden government might be moving toward a more independent line, have faded as Southern Yemen joined the Russians and Cubans in supporting leftist Ethiopia in the war in the Horn of Africa.

The recent moves by Southern Yemen, which reportedly include the expansion of its facilities for the Soviet fleet, have increased the isolation and suspicion between it and its Arab neighbors.

## Hopes Wane

Egyptian officials who were encouraged last year when Southern Yemen seemed at least willing to listen to the blandishments of the moderate and pro-Western Arabs now say that only an internal upheaval can change its pro-Soviet course.

Southern Yemen, known as the People's Democratic Republic of Yemen, has supported Moscow since its independence in 1967. But when Saudi Arabia opened diplomatic relations with the

Aden government two years ago and began disbursing large amounts of aid, there were signs that the government of President Salim Rubayi Ali might be wavering.

Southern Yemen cut support for the anti-monarchist insurgents in neighboring Oman, for example, and opened economic doors to some of the conservative states of the Gulf region. A year ago, the Southern Yemenis took part in a summit conference with the Sudan, Somalia, and Yemen at which the Sudan, already strongly anti-Soviet, and Somalia, about to turn away from a long dependence on Moscow, sought to win over Aden. Although they did not succeed, the fact that Southern Yemen

took part in the meeting was interpreted as a sign that it was reappraising its policy.

## Tactical Moves

But analysts said that those moves were only tactical, not strategic, and that Southern Yemen's ideological ties to the Soviet Union and Cuba are as strong as ever. Southern Yemen was willing to accept financial aid from the Saudis, they said, but paid no attention to the accompanying political demands.

Little information is available outside the secretive, xenophobic Southern Yemen about what is going on there. Reports that its troops have clashed with Saudi forces along their long desert border could not be confirmed.

They indicate, however, the atmosphere that has supplanted the faint thaw of a year ago between Southern Yemen and its neighbors.

**Rapprochement Over**

The Southern Yemeni rapprochement with Yemen apparently ended with the assassination last year of Yemen President Ibrahim al-Hamdi. Since then, Southern Yemen has broken completely with Egypt by joining in a campaign to support President Anwar Sadat's peace initiative.

By sending some troops to Ethiopia and by allowing itself to be used as a shipment point for Soviet arms destined for the Aden Arab government, Southern Yemen has incurred the hostility of the Sudan and Somalia.

Early last month, Southern Yemen Premier Ali Nasir Muhammad went to Moscow and met President Leonid Brezhnev. Although the substance of those talks was not revealed in detail, officials here and in Somalia believe that the Soviet Union is hoping that Southern Yemen will permit the establishment of naval-base facilities to replace those the Russians lost when they were expelled from the Somali port of Berbera last year.

## Without Ties

Gen. Alexander Haig Jr., supreme allied commander in Europe, has said that it could cause "serious problems" for NATO.

Except for Iceland, whose Communists are highly nationalistic and without ties to either Moscow or Peking, the West has never had to deal with Communists in a NATO or Common Market government.

But the time for having to do so may not be far off.

In Italy, for instance, a crisis—now being resolved—was posed by the demands of the Communists, who control about a third of the electorate, that they have a share in the government.

Eurocommunism's latest major test are the current parliamentary elections in France.

Moscow, which has tried to dominate international Communism, has been profoundly disturbed by the rise of Eurocommunism. The new visionaries insist that the Communist movement has no center, and a huge swing to their point of view could curb Moscow's use of the other parties as an instrument of Soviet foreign policy.

The Communist party of the Soviet Union simply denies that there is such a thing as Eurocommunism. It is an idea, the Kremlin argues, that was created by "imperialist propagandists" in an effort to divide and conquer Communism.

**'Pluralized'**

According to Prof. Vadim Gladin, a senior theoretician in the Kremlin, the term Eurocommunism was invented by Zbigniew Brzezinski, national security adviser to President Carter, so that Communism "should be pluralized as much as possible."

Prof. Gladin said that after the Communist parties of Europe met in East Berlin in June, 1976, to agree on a common program, "imperialist propaganda strengthened its subversive activities against the cooperation between the Communist parties in socialist countries (the Soviet bloc) and the Communist parties in the European capitalist countries, initiating the campaign with so-called Eurocommunism, a term which has been cynically exploited since 1975 in the bourgeois countries and was later also accepted by leftist groups and even by certain Communist parties' organs."

Kremlin spokesmen have concentrated their attacks on Santiago Carrillo, the leader of the Spanish party, arguing that he has gone beyond the bounds of acceptable theoretical debate and indulged in "crude anti-Sovietism."

Many observers saw the Soviet attack on a book that Mr. Carrillo published last year as the "excommunication" of the Spanish leader from the Communist movement.

But Kevin Devlin, Radio Free Europe's expert on Communist party affairs, said recently that it is "no longer possible to excommunicate someone from the international Communist movement."

"The Communist movement has no center," Mr. Devlin added. "There is one party, but there is no international organization."

**'Old Sense'**

Milovan Djilas, a former aide to Yugoslavia's President Tito and an outspoken critic of Marxism since he broke with the movement in 1954, has said, "You cannot talk about world Communism in the old sense anymore."

According to Mr. Djilas, the concept of "monolithic Communism" ended at the East Berlin meeting in June, 1976, when Soviet leader Leonid Brezhnev met with the European party leaders and they attempted to agree on a common statement of principles.

Instead, Mr. Djilas said, the Russians "agreed to formally accept the existence of ideological differences that arose first with

The leaders

are

applauded

at China's

Fifth

National

People's

Congress

in Peking.

Seated,

from left,

are Wang

Tung-hsing,

deputy

premier

for internal

security;

Teng Hsiao-

ping, senior

deputy

premier;

Chairman

Hua Kuo-

feng; Vice-

Chairman

Yeh Chien-

ying, and

Vice-

Premier Li

Hsien-nien.

UPI.



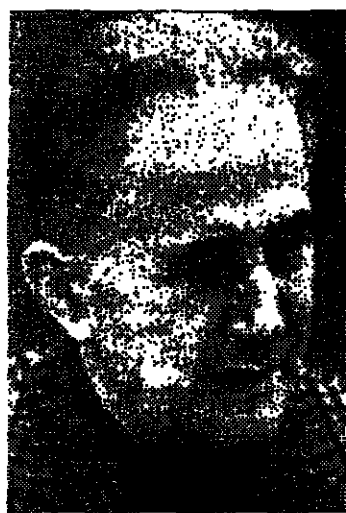
# Eurocommunism Seen a Challenge to Both East and West

By Murray Seeger

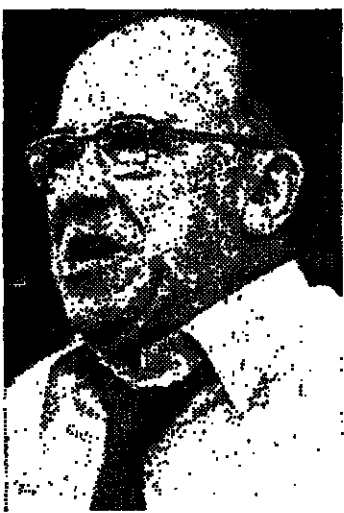
**BONN—**International Communism has entered a phase that has raised a potential threat to the political, economic and military structures of the Western alliance.

The phenomenon of Eurocommunism, its leaders say, is committed to achieving peace peacefully, through the electoral process. They say that they would respect civil liberties and would, if rejected at the polls, go peacefully.

But many in the West are not convinced that the Eurocommunists are sincere, and they are



Milovan Djilas



Santiago Carrillo

Keynote.

not willing to accept the idea of Communists in West European governments. For the potential impact goes far beyond the nations most directly involved—France, Italy and Spain.

It could mean sharing military secrets in the North Atlantic Treaty Organization, and it could mean a sweeping change in the European Common Market, which has insisted that its membership be limited to parliamentary democracies.

**Without Ties**

Gen. Alexander Haig Jr., supreme allied commander in Europe, has said that it could cause "serious problems" for NATO.

Except for Iceland, whose Communists are highly nationalistic and without ties to either Moscow or Peking, the West has never had to deal with Communists in a NATO or Common Market government.

But the time for having to do so may not be far off.

In Italy, for instance, a crisis—now being resolved—was posed by the demands of the Communists, who control about a third of the electorate, that they have a share in the government.

Eurocommunism's latest major test are the current parliamentary elections in France.

Moscow, which has tried to dominate international Communism, has been profoundly disturbed by the rise of Eurocommunism. The new visionaries insist that the Communist movement has no center, and a huge swing to their point of view could curb Moscow's use of the other parties as an instrument of Soviet foreign policy.

The Communist party of the Soviet Union simply denies that there is such a thing as Eurocommunism. It is an idea, the Kremlin argues, that was created by "imperialist propagandists" in an effort to divide and conquer Communism.

**'Pluralized'**

According to Prof. Vadim Gladin, a senior theoretician in the Kremlin, the term Eurocommunism was invented by Zbigniew Brzezinski, national security adviser to President Carter, so that Communism "should be pluralized as much as possible."

Prof. Gladin said that after the Communist parties of Europe met in East Berlin in June, 1976, to agree on a common program, "imperialist propaganda strengthened its subversive activities against the cooperation between the Communist parties in socialist countries (the Soviet bloc) and the Communist parties in the European capitalist countries, initiating the campaign with so-called Eurocommunism, a term which has been cynically exploited since 1975 in the bourgeois countries and was later also accepted by leftist groups and even by certain Communist parties' organs."

Kremlin spokesmen have concentrated their attacks on Santiago Carrillo, the leader of the Spanish party, arguing that he has gone beyond the bounds of acceptable theoretical debate and indulged in "crude anti-Sovietism."

Many observers saw the Soviet attack on a book that Mr. Carrillo published last year as the "excommunication" of the Spanish leader from the Communist movement.

But Kevin Devlin, Radio Free Europe's expert on Communist party affairs, said recently that it is "no longer possible to excommunicate someone from the international Communist movement."

"The Communist movement has no center," Mr. Devlin added. "There is one party, but there is no international organization."

**'Old Sense'**

Milovan Djilas, a former aide to Yugoslavia's President Tito and an outspoken critic of Marxism since he broke with the movement in 1954, has said, "You cannot talk about world Communism in the old sense anymore."

According to Mr. Djilas, the concept of "monolithic Communism" ended at the East Berlin meeting in June, 1976, when Soviet leader Leonid Brezhnev met with the European party leaders and they attempted to agree on a common statement of principles.

Instead, Mr. Djilas said, the Russians "agreed to formally accept the existence of ideological differences that arose first with

Mr. Tito's conflict with Stalin in 1948."

In the view of many theorists, the first glimpse of what was to become Eurocommunism theory was given by Antonio Gramsci, one of the founders of the Italian Communist party, when he suggested that the party seek power through a broadly based revolutionary alliance.

Mr. Gramsci's views were put into practice by Palmiro Togliatti, who rebuilt the Italian party after World War II. Mr. Togliatti developed a technique of bending to pressure from Moscow without giving up his views.

**Local Level**

What Mr. Togliatti set out to do was build a party that would be trusted at the local level by Roman Catholics, who traditionally abhorred Marxism. He succeeded. In many Italian cities, Communist officials have come to be considered honest and efficient in a country where honesty and efficiency are often considered relatively rare.

In 1948, another shock reverberated through the Communist movement when Marshal Tito was expelled from the Communist International. But Marshal Tito not only survived the expulsion, he charted an independent course that has contributed to a rising standard of living, a fairly good record on civil liberties and considerable influence among non-aligned countries.

Another shock occurred in 1956 with Nikita Khrushchev's so-called secret speech denouncing Stalin. Circulated by U.S. intelligence agents, the speech startled Communist leaders who had refused to admit that the dominant figure in their lives had been a despot.

Mr. Togliatti pointed out that the Soviet leaders could not blame Stalin for all the crimes of the previous decades. After all, they had followed him without protest.

Also in 1956, the Soviet Army put down a revolt in Budapest, removing any doubt about Moscow's determination to hold onto its satellites and to discipline them when necessary.

Yet ferment continued, most notably erupting in 1960 when China's Communist leaders accused Khrushchev of being a revisionist. And it soon became clear that the two Communist blocs were hopelessly at odds.

In 1963, in the shadow of this development, Romania also began to follow an independent line. But Nicolae Ceausescu, the Romanian

party leader, somehow managed to displease neither Moscow nor Peking, a feat that no other East European Communist leader, including Marshal Tito, has been able to duplicate.

**Dubcek Deposed**

In 1968, Soviet-led troops marched into Czechoslovakia and deposed Alexander Dubcek, who had sought to liberalize Communism in Czechoslovakia.

French and Italian party leaders had watched Mr. Dubcek with interest. They thought that his "socialism with a human face" might be a model for Western Europe.

Mr. Brezhnev apparently felt that Mr. Dubcek's experiment might infect other satellite states and, eventually perhaps, the Soviet Union. Nearly every Communist party in Western Europe denounced his destruction of the "Prague spring."

With divisions in the party structure becoming clearer, Mr. Brezhnev organized a conference of European Communist parties. His aim: To ostracize Peking and restore Moscow to its position of dominance in the international movement. That move coincided with a Kremlin effort to convene a meeting on European security and cooperation to enhance the Soviet position as a world power.

In the view of many experts, Mr. Brezhnev blundered seriously in insisting on the party meeting, as well as on what became known as the Helsinki conference, because:

• The 1975 Helsinki accords went on to haunt Moscow at the review conference in Belgrade, concluded last week, as a result of debate over a final document that did not include a passage on human rights.

• The party conference, held in Berlin, in 1976, became an embarrassment, too, since Mr. Brezhnev organized an bringing Marshal Tito back into the fold under any conditions. For this, the Soviet leaders had to accept a final statement endorsing the right of every Communist party to seek its own way to power.

**Soviet Primacy**

The statement failed to recognize any center for party development and ignored the concept of "proletarian internationalism," which in Kremlin parlance means Soviet primacy.

An alliance of Spanish, Italian, French, Yugoslav and Romanian

parties set the rules for the meeting and virtually dictated the final statement.

Mr. Brezhnev had to endure their criticism, with Mr. Carrillo probably striking the most painful blow in his description of Western party leaders' efforts to free themselves from Moscow's ideological domination.

"For years," he said, "Moscow was our Rome. Today we have grown up. More and more, we lose the character of being a church."

The diversity among various Communist parties, Mr. Carrillo insisted, "must be accepted once and for all. There will be no reform if nobody puts his own position forward as dogma."

But while the Eurocommunists have clearly loosened their ties with Moscow, they have yet to demonstrate how they would conduct themselves in government.

Their own party structures have not changed. They are still organized with power concentrated at the top, and they still support the Soviet Union in many questions of foreign policy.

**Unanswered**

Still unanswered is the question: Is Eurocommunism just another tactic in the effort to achieve power? Regardless of how that is finally answered, the development of alternative concepts of Marxism has already had a profound effect on world politics.

Mr. Djilas, the former Tito aide who broke with the movement, has said that Eurocommunism is "nothing more than a general trend toward separation (of the parties) from Moscow and a search for their own road. But it is impossible that the Italians or the Spaniards, for instance, could advocate pluralism without this having an effect on parties run by dogmatic, totalitarian-minded leaders. Hence, the current trend will either isolate the Soviet bloc or it will encourage moderate forces within East European parties."

Los Angeles Times.

**U.S. Unit's Audit**

**Indicates Fraud**

**In Consultant Pay**

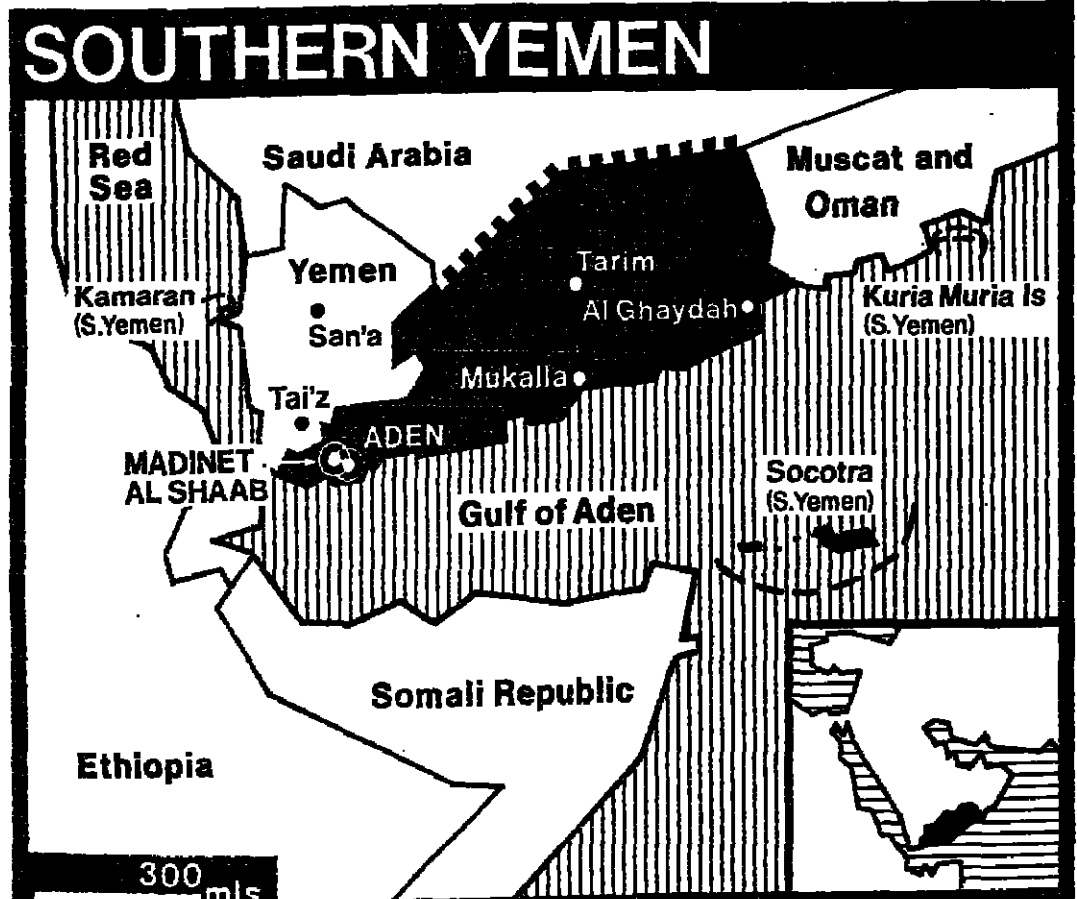
WASHINGTON, March 13 (UPI).—A confidential internal audit of the Nuclear Regulatory Commission shows that the agency manipulated personnel and pay records in an effort to conceal the existence of a large nonpermanent work force of consultants. Two consultants were paid \$465 a day, more than three times what the law allows.

"It's easier to hire a consultant than it is to get a pencil," an official told the auditors.

Among the consultants on the agency's payroll are two former congressmen whose combined salaries and expenses totaled \$186,000 for a period of 2 1/2 years, even though the agency's director had ruled that their duties were more promotional than regulatory and that their jobs should be transferred elsewhere.

The commission's study, which was not intended for public release, was made available to The New York Times by Sen. Gaylord Nelson, D-Wis., who urged that Congress determine "what the agency's experience may imply for the use of consultants elsewhere in the government."

Expenditures for consultants by federal agencies have been estimated at more than \$1.8 billion a year, although neither Congress nor President Carter has been able to find how much the government actually spends, who the consultants are, what they do or where they are.









**Euromarket****A Number of Eurobond Issues Launched as Dollar Gains a Bit**

By Carl Gewirtz

PARIS, March 12 (AP)—International markets were in a state of uncertainty at the end of the week, unsure whether to be reports of an impending agreement to the dollar or whether such agreement, if reached, would be effective.

Operators in the foreign exchange market were taking no chances. Short positions, speculation on a further depreciation, and the dollar a considerable loss on Friday. Coming on top of a dollar gain during the week, the dollar ended where it was 30 cents against the deutsche mark and Swiss franc—creating a record of the last month.

Investment bankers wasted no time in selling what appeared to be a changing if not changed attitude to the dollar by launching a number of new Eurobonds. The dollar sector of the international capital market has been limping since late January and the volume of issues waiting to be launched is said to be quite substantial, so it was not unexpected that the market would move fast at the first sign of a revival.

Not only was the dollar recovering, but prices of dollar bonds in the secondary market moved up markedly during the week—in some cases up as much as a point—and short-term interest rates, which, not analysts had been forecasting, would rise, moved down with it, and 12-month deposits now at the level they were a month ago.

Bond dealers were somewhat skeptical about the recovery in prices, noting that virtually all of it was professional and, more importantly, there was no selling. Dealers were uncertain about

whether the \$225 million of fixed-rate and \$95 million of floating-rate dollar bonds now on offer could be comfortably absorbed.

The presence of one or more of the three major Swiss banks as co-managers in all of the fixed-rate issues would appear to confirm the optimistic view that substantial amounts of investable funds have been built up during the weeks that the fixed-rate dollar bond market was virtually shut down and is just waiting for the right conditions to move into the market. It may be noteworthy, however, that none of the top three Swiss banks is acting as lead manager.

The fixed-rate issues include:

- \$100 million for Norway in five-year notes carrying a coupon of 8 1/4 per cent.
- \$50 million for the European Coal and Steel Community, split evenly between 15-year, 9-per cent and 30-year, 9 1/4-per cent paper. (It just completed a \$15-million private placement in January for 10 years priced at 9 3/4 with a coupon of 8 3/4 per cent.)
- \$50 million for Macmillan Bloedel, the Canadian forest-products firm, offering 9 1/4 per cent on 15-year paper.

**Secondary Market**

• \$25 million for Irel, the U.S. financial services company, which is issuing 10-year bonds carrying a coupon of 9 3/4 per cent.

Terms on the Macmillan issue were pegged to the secondary market, where the company's outstanding debt of 1982 ended the week at 98 for a yield to maturity of 9.34 per cent.

The terms on Norway and the Coal and Steel issue were less finely tuned, as previous issues or paper of equal quality are trading

**U.S. Commodities**

CHICAGO, March 12 (AP)—Speculators scrambled to buy almost anything that would protect their money from inflation last week, triggering an explosion in futures markets ranging from precious metals to agricultural products.

Further depreciation of the dollar against foreign currencies set off the spree that boosted gold and silver contracts to record highs.

Additional factors influenced the demand that lifted livestock and poultry contracts to peak levels, as well as pushing grain futures to their highest prices this year.

Although precious metals futures slipped when the U.S. currency firmed later in the week, gold and silver rallied again to net huge gains for the period. Silver futures, after surging by the daily limit on Wednesday, finished ahead an average of 37 cents, the equivalent of \$1,850 a contract. The March delivery closed at \$5.35 an ounce.

Gold contracts set records during three consecutive sessions on New York's Comex, advancing about \$5 an ounce for the week. The spot contract, nearing an all-time high, ended at \$188.10. Platinum futures rose the daily limit at mid-week, finishing some \$7 an ounce higher for the period. The demand for precious metals also spilled into copper futures, which climbed 3 cents a pound in the current contract.

Soybean and soybean product futures registered their highest prices in months before plummeting at the week's end. The March soybean contract on the Chicago Board of Trade soared to \$8.80 a bushel, a dollar higher than two weeks ago. And although it eventually dropped to \$8.13 1/2, it was 25 cents ahead for the period. The March soybean oil delivery surged 2 cents a pound despite heavy liquidation on Friday.

By the end of the period, soybean futures were 6 1/2 to 25 cents higher than a week ago, with March contracts quoted at \$8.38 1/2 a bushel; what gained 4 1/2 to 7 1/4 cents, March \$2.75 corn advanced 3 3/4 to 5 cents, March \$2.32 1/4; and oats were 1/4 cent lower to 1/2 cent higher, March \$1.23 1/2.

with much more attractive yields in the secondary market. Managers aver that the secondary market quotes are really not indicative because any volume of buying orders would lift the prices sharply.

The market for livestock has remained modestly active throughout the dollar crisis, a function of the widely held view that interest rates are likely to rise and that livestock offer the best protection. Now on offer are:

• \$25 million for Banco Union of Venezuela. The money is actually being raised by its Panama branch and for legal and technical reasons it is selling five-

year floating-rate certificates of deposit to Citibank, which in turn will distribute bearer depositary receipts representing \$1,000 units of that credit. Citibank is simply acting as agent; the loan is guaranteed by the parent Banco Union. Interest will be set at a quarter point over the London interbank offered rate (Libor), but never lower than 7 3/4 per cent.

• \$30 million in seven-year notes for Costa Rica with the coupon set at 1 1/4 points over Libor and guaranteed never to be set lower than 8 1/2 per cent—terms obviously pitched to over-

(Continued on Page 11, Col. 5)

**The U.S. Economic Scene****Two Developments Bring a Touch of Spring**

By Thomas E. Mullaney

NEW YORK (NYT)—The atmosphere was dark and the gloom was deep in the economic world during most of last week, and then, suddenly on Friday, it appeared that spring was arriving a little early this year. The wretched spirits of economic analysts, businessmen, government officials and anyone else who monitors the U.S. economic scene were then revived—at least temporarily—by two dramatic developments.

The first was the surprisingly favorable tone of the monthly employment statistics for February, showing another decline in joblessness and an increase of 130,000 jobs in manufacturing. The second was the jump of the dollar in the foreign-exchange markets toward the weekend after more active support operations by this country and other nations.

Before that one-two dose of good news, there had been a succession of adverse developments that created a new sense of worry both here and abroad about the probable direction of the U.S. economy and the management being applied to it in Washington.

**A Large Crop**

The crop of depressing developments early in the week was large. Half of the nation's coal mining has remained suspended after more than three months of bargaining for a new labor contract and Washington's unsuccessful intervention efforts, which would go in a Third-Harley injunction to try to get the miners back to work. Moreover, the inflation situation took a turn for the worse with the government report that wholesale prices had vaulted upward again into the double-digit area in February.

The dollar was being subjected to further attacks in the currency markets, and the latest survey of business capital-spending plans was not at all inspiring. Despite all of those downbeat elements, the financial markets held their ground fairly well. They were obviously hoping for some clarification.

Congress appeared to be making some headway toward completing negotiations at its conference on a compromise energy bill. William Miller, the former chairman of Textron, was finally installed as the new chairman of the Federal Reserve Board, and made a good impression with his economic views before two

congressional committees. More important, perhaps, was the prevailing belief that the underlying condition of the American economy for the near term is still sound.

Nevertheless, the question being asked more frequently is whether the protracted coal strike, the cold weather and greater inflationary pressures have increased the likelihood of another recession, as did two other momentous economic dislocations of the last two decades—the 116-day steel strike of 1959 and the oil embargo, with its subsequent quintupled price increase, of 1973.

The possibility of a new re-

cession was first raised seriously early last fall, when a survey among 425 of the nation's leading business economists found a surprisingly high percentage expecting a business contraction either this year or in 1979.

However, that sounding was taken immediately after last summer's business lull, and may have been influenced by it.

At that time, though, 29 per cent of the business economists indicated that they expected the next downturn would begin sometime this year, and 43 per cent said they thought it would start in 1979. In the meantime, the economy resumed faster growth in the fourth quarter of last year, but then ran into this winter's severe problems, which are again causing some analysts to hoist red or at least yellow flags about the danger of another recession.

Economists at the Manufacturers Hanover Trust Co., who were somewhat skeptical last fall about economic prospects for 1978, have turned more concerned about them now. On the other side, economists at Citibank remain more confident that no recession is in the cards this year and next.

**Smaller Gains**

In between are those analysts who think the likely scenario may be a "growth recession" sometime next year—not an outright negative performance of the real gross national product for at least two consecutive quarters (the usual definition of a recession) but progressively smaller, insignificant gains in the real GNP for several quarters.

"We are forecasting the start of a recession around the turn of the year," said one economist at Manufacturers Hanover.

They expect the economy to pick up in the second and third quarters.

(Continued on Page 11, Col. 2.)

NEW YORK (AP)—Weekly over-the-counter stocks giving the high, low and bid and ask prices for the week ending March 12, 1978. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative of the market at which these securities could have been sold. Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

**Over-Counter Market**

NEW YORK (AP)—Over-the-counter stocks giving the high, low and bid and ask prices for the week ending March 12, 1978. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative of the market at which these securities could have been sold. Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

NEW YORK (AP)—Over-the-counter stocks giving the high, low and bid and ask prices for the week ending March 12, 1978. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative of the market at which these securities could have been sold. Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

NEW YORK (AP)—Over-the-counter stocks giving the high, low and bid and ask prices for the week ending March 12, 1978. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative of the market at which these securities could have been sold. Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or other charges.

Prices do not include retail markup, commission or



Symbol	100s High	100s Low	Last	Chg
Amsterd.	2,040	2,040	106.45	-0.05
Berlin	2,115	2,115	106.45	-0.05
Frankfurt	2,115	2,115	106.45	-0.05
London	2,115	2,115	106.45	-0.05
Paris	2,115	2,115	106.45	-0.05
Stockholm	2,115	2,115	106.45	-0.05
Zurich	2,115	2,115	106.45	-0.05

## Currency Rates

By reading across this table of Friday's closing inter-bank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

Symbol	100s High	100s Low	Last	Chg
Amsterd.	2,040	2,040	106.45	-0.05
Berlin	2,115	2,115	106.45	-0.05
Frankfurt	2,115	2,115	106.45	-0.05
London	2,115	2,115	106.45	-0.05
Paris	2,115	2,115	106.45	-0.05
Stockholm	2,115	2,115	106.45	-0.05
Zurich	2,115	2,115	106.45	-0.05

The following are dollar values as given in London: Danish kroner: 5.4601; Swedish krona: 4.756; Norwegian kroner: 4.756; Swiss franc: 2.0037; Belgian franc: 36.363; Dutch guilder: 3.7603; Italian lire: 2036.27; Japanese yen: 360.87; Australian dollar: 1.482; New Zealand dollar: 1.354; Canadian dollar: 0.7106; Hong Kong dollar: 7.806; Singapore dollar: 2.466; Thai baht: 50.000; Philippine peso: 48.000; Indonesian rupiah: 1,000.000; South African rand: 1.000.000; Mexican peso: 16.670; Argentine peso: 100.000; Chilean peso: 100.000; Colombian peso: 100.000; Venezuelan bolivar: 100.000; Cuban peso: 100.000; Egyptian pound: 100.000; Indian rupee: 100.000; Pakistani rupee: 100.000; Sri Lankan rupee: 100.000; Thai baht: 50.000; Vietnamese dong: 100.000; Yugoslav dinar: 100.000; Czech koruna: 100.000; Hungarian forint: 100.000; Polish zloty: 100.000; Czechoslovak koruna: 100.000; East German mark: 100.000; West German mark: 100.000; French franc: 100.000; British pound: 100.000; US dollar: 100.000.

(1) Commercial franc: (2) Units of 100. (3) Units of 1,000. (4) Units of 10,000. (5) Amounts needed to buy one pound.

# AMERICA IS NOW ON SALE AT AMERICAN.

Before you make any arrangements, find out about the great deals at American. Some at up to 45% off the regular air-fares.



Contact your travel agent for details.

# American Airlines

## 26. Get a clue from the sound of his voice.

(An international call means business.)

Long Distance is the next best thing to being there.

## Over-Counter Market

Symbol	100s High	100s Low	Last	Chg
Amsterd.	2,040	2,040	106.45	-0.05
Berlin	2,115	2,115	106.45	-0.05
Frankfurt	2,115	2,115	106.45	-0.05
London	2,115	2,115	106.45	-0.05
Paris	2,115	2,115	106.45	-0.05
Stockholm	2,115	2,115	106.45	-0.05
Zurich	2,115	2,115	106.45	-0.05

Symbol	100s High	100s Low	Last	Chg
Amsterd.	2,040	2,040	106.45	-0.05
Berlin	2,115	2,115	106.45	-0.05
Frankfurt	2,115	2,115	106.45	-0.05
London	2,115	2,115	106.45	-0.05
Paris	2,115	2,115	106.45	-0.05
Stockholm	2,115	2,115	106.45	-0.05
Zurich	2,115	2,115	106.45	-0.05

## Insurance Stocks

Symbol	100s High	100s Low	Last	Chg
Amsterd.	2,040	2,040	106.45	-0.05
Berlin	2,115	2,115	106.45	-0.05
Frankfurt	2,115	2,115	106.45	-0.05
London	2,115	2,115	106.45	-0.05
Paris	2,115	2,115	106.45	-0.05
Stockholm	2,115	2,115	106.45	-0.05
Zurich	2,115	2,115	106.45	-0.05

# De Beers

Extracts from the Provisional Annual Financial Statements for the year ended 31st December 1977.

	1977	1976
Total Revenue	942 771	558 997
Group Profit before tax	888 107	519 916
Group Profit after tax	633 489	337 001
Group Profit after tax attributable to De Beers Consolidated Mines Limited	623 315	308 516
Preference Dividends	1 821	1 821
Deferred Dividends		
52.5 cents per share (1976: 35 cents)	188 889	125 926
Diamonds on hand at cost	220 745	227 501
Cash	683 147	470 279
Earnings per equity share	172.7 cents	85.2 cents

## Diamond Market

The demand for rough diamonds is at an exceptionally high level, but nevertheless there are aspects of the market situation which give cause for concern. Consumer demand continues to be very firm but in addition there has developed in recent months a high level of speculative trading which has carried the price of rough diamonds in the open market to levels which

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Uncut diamond on pocket.

Compagnie Coppelée de Développement Industriel S.A. (CDI)

(Brussels)

Société Industrielle et Agricole de la Somme S.A. (SIAS)

(Paris)

Les Produits Organiques du Santerre S.A. (ORSAN)

(Paris)

have purchased the stock of

Ramsey Laboratories, Inc.

(Cleveland)

The undersigned assisted CDI, SIAS and ORSAN in the negotiations leading to this transaction.

SoGen-Swiss International Corporation

New York

March, 1978

De Beers Consolidated Mines Limited

(Incorporated in the Republic of South Africa)

Head Office  
36 Stockdale Street, Kimberley, South Africa.  
London Secretaries  
Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, London EC1P 1AJ.  
Transfer Secretaries  
Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg (P.O. Box 61051, Marshalltown, 2002).  
Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford.  
Kent TN24 8EQ United Kingdom.







## Euromarket

(Continued from Page 2.)  
come what will be considered an

**For development in the British sector of the North Sea**

ملک احمد علیا







